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Living and Working in Europe 2016

Abstract

[Excerpt] 2016 was the concluding year of Eurofound's work programme for 2013–2016 *From crisis to recovery: Better informed policies for a fair and competitive Europe*. This work programme was designed to provide evidence to feed into the development of social, employment and work-related policies to aid the recovery of the European Union in the aftermath of a severe economic crisis that has had profound and wide-ranging repercussions on citizens, countries and the Union itself. The priorities of the programme reflected the challenge of achieving a fair and competitive Europe in the context of uncertainty on the road ahead and the measures necessary to regain growth and prosperity.

Keywords

Eurofound, living conditions, working conditions, employment, labor market

Comments

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Living and working in Europe 2016



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The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75 to contribute to the planning and design of better living and working conditions in Europe.

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Living and working in Europe 2016

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Country codes

AT	Austria	FI	Finland	NL	Netherlands
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EL	Greece	LV	Latvia		
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Foreword

2016 was the concluding year of Eurofound's work programme for 2013–2016 *From crisis to recovery: Better informed policies for a fair and competitive Europe*. This work programme was designed to provide evidence to feed into the development of social, employment and work-related policies to aid the recovery of the European Union in the aftermath of a severe economic crisis that has had profound and wide-ranging repercussions on citizens, countries and the Union itself. The priorities of the programme reflected the challenge of achieving a fair and competitive Europe in the context of uncertainty on the road ahead and the measures necessary to regain growth and prosperity.

The EU agenda continued to focus on employment, and Eurofound contributed its expertise on the subject to informal meetings of EPSCO ministers and the Employment and Social Protection Committees (EMCO and SPC), as well as contributing to conferences organised under the Dutch and Slovak Presidencies. The Agency engaged with the process to establish a European Pillar of Social Rights through its involvement in consultations and meetings held by the European Commission and other bodies.

As for Eurofound's research agenda, the pinnacle of the year was the release of the full results of the sixth European Working Conditions Survey. This flagship activity, which provides comparative data from across Member States and beyond, enables the in-depth assessment of job quality in Europe and the monitoring of progress over time. While notable improvements in some aspects of working conditions were detected, the survey highlighted persistent divergences between countries and the high proportion of workers still working under conditions potentially detrimental to their health and well-being.

And while news was good on the jobs front, with the recovery of employment in the EU as a whole to its pre-crisis level, the Europe 2020 goal of bringing three-quarters of the working-age population into work is still well out of the reach of most Member States. Eurofound maintained its focus on those population groups whose greater labour market participation would enable this target to be achieved. Research on the gender employment gap examined the lower participation of women and the overall cost of this, as well as suggesting measures that would raise participation over time. On youth employment, Eurofound continued to develop its body of research on young people who are neither working nor in education or training (NEETs) to assist the development of better-targeted policies for the diverse groups within this all-embracing category. Work examining measures to support business start-ups by young people highlighted

the need to properly evaluate such schemes to ensure that the considerable investment of public money pays off. Integrating refugees and asylum-seekers into the labour market should also be a priority for policymakers, and Eurofound examined the barriers to their assimilation as well as moves by Member States to lower these barriers.

Eliminating illegal practices that distort labour markets is a Commission priority. In this regard, Eurofound investigated the fraudulent use of self-employment arrangements to disguise employer–employee relationships and the regulation of certain types of employment agencies to prevent trafficking of workers for labour exploitation.

Several studies on the activities of social partners and social dialogue were conducted in the course of the year. These highlighted the very different experiences of the European Semester among the social partners of different Member States and shed light on the complex and variable meanings of the representativeness of social partners in Member States. Analysis of the factors that contribute to win–win outcomes from social dialogue at company level identified trust as the key lever in achieving mutually successful negotiations.

The research strand dedicated to improving the quality of life and living standards of citizens called attention to the price countries pay, in terms of health costs, for substandard housing and estimated the bill for remedying the situation. It also conducted a study that examined partial retirement schemes and assessed whether they achieve their main aim of extending working lives.

As Eurofound begins its new work programme for 2017–2020, the uncertainty of the previous four years has not been erased. Indeed, the challenge is increasingly existential, as political and social developments both within and outside the EU threaten to erode the principles of solidarity, mutuality and integration upon which the Union stands. Against this background, Eurofound remains committed to delivering the knowledge required to buttress the renewed commitment to upward convergence and to build the path that will steer the Union through the formidable challenges ahead.

Juan Menéndez-Valdés
Director
Eurofound

Erika Mezger
Deputy Director
Eurofound



Employment and jobs

Labour markets continued to strengthen in 2016, with employment levels rising across the European Union, albeit still at a slow pace. But as unemployment falls, other debates about the labour market are coming to the fore. The rising number of workers on part-time contracts is raising awareness of the risk that this may bring about increasing segmentation of the labour market between ‘insiders’ with secure employment, good prospects and good pay and ‘outsiders’ with none of these advantages.

Long-standing issues remain on the policymakers’ agenda. Despite progress, the participation of women in the labour market continues to lag behind that of men – with a clear economic impact. Answers to the persistent high levels of youth unemployment continue to be sought – what can youth entrepreneurship contribute? Political and social developments have turned a spotlight on the external forces that are blamed for destroying jobs, including the offshoring of production and technological change.

Ongoing recovery in 2016

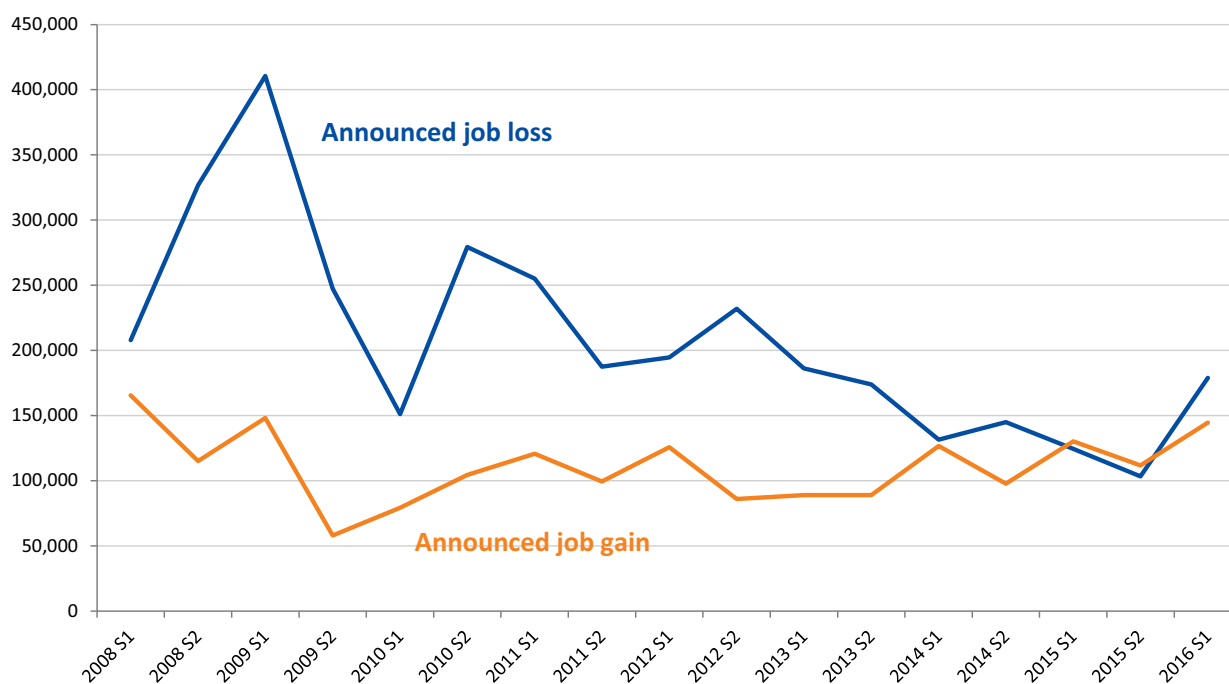
The average EU unemployment rate had fallen to 8.2% by the end of 2016, down 0.9 percentage points on the previous year. In the first quarter of 2016, more than 230 million workers were employed, the highest level since the third quarter of 2008. And after many years of sharply diverging labour market performance across Member States, employment growth was distributed more evenly. Ireland, Portugal and Spain, which suffered particularly disruptive downturns, have recorded above-average employment growth for the first time since 2013.

Nevertheless, a number of countries are struggling to regain their pre-crisis employment levels – not only countries that endured the harshest effects of the crisis, such as Italy, Greece and Spain, but also Denmark and Finland.

Restructuring developments

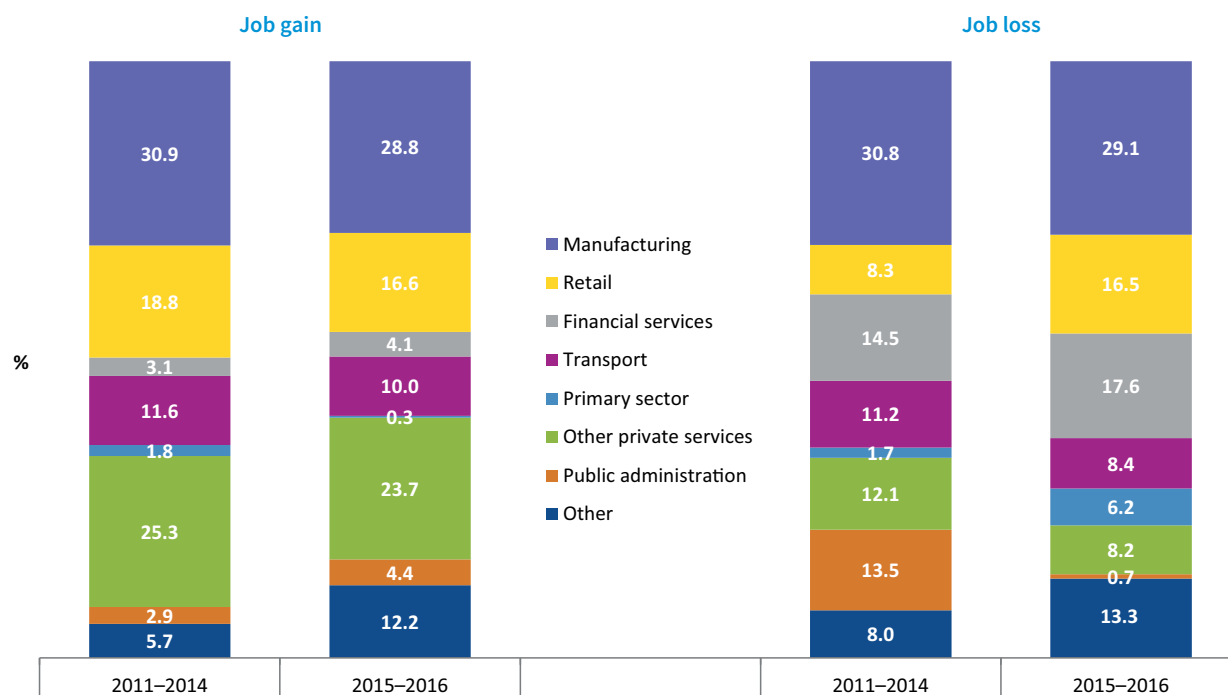
Restructuring activity is broadly in step with developments in employment, as borne out by the European Restructuring Monitor (ERM), which records company restructurings involving at least 100 jobs announced in European media. Between 2015 and 2016, more cases of announced job creation than announced job loss (1,007 versus 939) were posted in the ERM, although losses were greater than gains (407,000 versus 387,000). The trends in announced job loss and job gain have largely converged since 2014, as illustrated by Figure 1. At the peak of the crisis in 2009, announced job losses were as much as 250,000 higher per semester than announced job gains.

Figure 1: Announced restructuring job loss and job gain, by semester, 2008–2016



Note: S = semester
Source: ERM

Figure 2: Sectoral shares of announced job gain and job loss, 2011–2016



Source: ERM

Headline sectoral changes

Figure 2 shows the distribution of announced job loss and job gain across the different sectors in 2015–2016 compared with 2011–2014.

Retail: The retail sector's share of announced job losses increased in 2015–2016. Bankruptcy and closure of major retail chains was in large part responsible for the increase in total announced job loss in the first semester of 2016 (illustrated in Figure 1). But labour demand is falling generally in the sector thanks to technological developments such as self-service and online shopping. Another factor is the trend of 'management delayering' – removing levels of management – in a number of recent large retail restructurings in the UK.

Public administration: Announced job losses declined sharply in public administration. This sector had accounted for up to 15% of total announced job losses in the post-crisis period as a result of government cuts to public spending. This figure fell to less than 1% in 2015–2016 as economies recovered and the policy emphasis switched from fiscal retrenchment to sustaining the recovery. There were just over 280,000 net new jobs in public administration in the EU in the first quarter of 2016 compared with three years previously.

Financial services: Announced job losses increased in financial services; these arose in part from corporate merger activity, which has sought to make cost savings through branch closures, leading to redundancies. But the introduction of new technology, particularly online

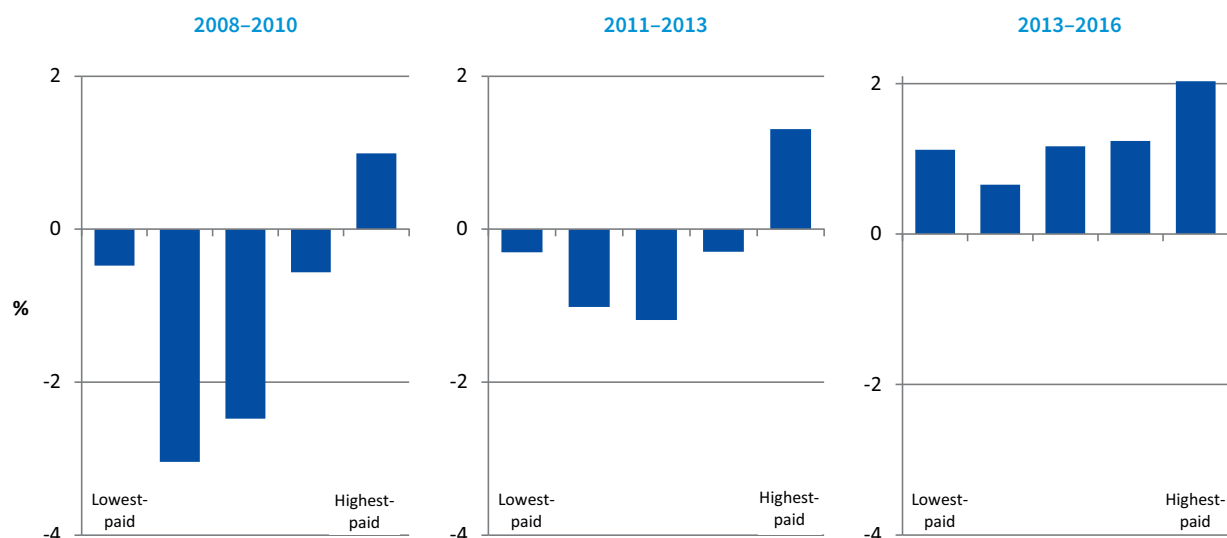
banking, has also reduced the need for high-street branches.

Other private services: This broad sector – encompassing legal services, engineering, consultancy, media, hotels and restaurants, and other professional and administrative services – accounts for nearly one in four announced new jobs in recent years. The most important subsector contributing to this growth has been information technology (IT) and information services, which is the fastest-growing sector in the EU, according to EU-LFS data. Some countries and regions are generating clusters of strong employment growth in IT, including Dublin in Ireland, Kraków and Wrocław in Poland, and Cluj-Napoca and Bucharest in Romania.

Structural shifts

Employment growth in the EU resumed in 2013, and a change in the type of jobs being created since then is evident if these jobs are looked at from the perspective of how much they pay. This is a useful exercise, as higher pay is associated with better job quality and higher skills requirement, so it illustrates whether employment in the EU is evolving in favour of high-quality, high-skilled jobs. To carry out the analysis, EU-LFS data is used to group all jobs into five categories of equal size (quintiles) according to wage, from lowest-paid (quintile 1) to highest-paid (quintile 5). Then change in employment in the quintiles is examined for specific periods.

Figure 3: Employment change (percentage per annum) by job-wage quintile, 2008–2016



Source: EU-LFS, Structure of Earnings Survey – SES (Eurofound calculations)

Looking at 2008–2010, the period of the Great Recession, and 2011–2013, when the ‘double-dip’ recession occurred, the data show that employment fell to the greatest extent in the middle and mid-low wage quintiles (Figure 3). This was a result of the disproportionate share of job losses in the manufacturing and construction sectors. Employment continued to grow in well-paid, high-skilled jobs in the top quintile throughout 2008–2013, albeit at a more modest pace than in the earlier period of employment expansion. Employment in the lowest-paid jobs also tended to be more resilient, suffering relatively modest declines.

The jobs that have come on stream since 2013 have been more evenly spread across the wage distribution, and only slightly skewed towards the top quintile.

The one consistent feature of employment shifts over all periods is the relative outperformance of the top quintile. Well-paid jobs added to employment even during the peak crisis period (2008–2010) and contributed disproportionately in all periods to overall employment growth.



Visiting Eurofound

On 7 September, Eurofound Director Juan Menéndez-Valdés (left) welcomed Ireland’s Minister for Social Protection, Leo Varadkar, to Eurofound’s premises in Dublin.

Occupational growth and decline

What do we know about the jobs behind the quintile bars? Table 1 lists the 10 jobs that employ the greatest numbers of people in the EU (in this context, a job is defined as a specific occupation within a specific economic sector). These jobs represent a high proportion of employment in all countries, so employment shifts in them tend to influence the shape of the quintiles most. The jobs that have grown most in recent years (highlighted in green) are at opposite ends of the quintile range: at the low end, cleaners and helpers providing services to buildings and personal services workers in the food and drinks industry, and at the high end, health professionals working in healthcare.

The greatest employment decline has occurred among building workers in the construction sector and skilled workers in agriculture (the yellow rows in the table). The number of skilled agricultural workers fell by more than half a million over 2011–2015; much of this job loss took place in the large agricultural sectors of Poland and Romania.

Construction has lost around four million jobs since the construction busts that accompanied the global financial crisis; employment in the sector began to grow again at aggregate level only in 2016. This is a labour-

intensive and cycle-sensitive sector, so an earlier bounce in employment might have been expected. One probable explanation is that the scale of the pre-crisis boom in certain Member States was so great and so unsustainable that there has been a negative adjustment to the more customary, durable levels of employment in the sector.

Fastest growth in top-paid jobs

Since the late 1990s, the fastest employment growth has occurred in jobs in the top wage quintile in both recessionary and non-recessionary periods. This is the case also in 2011–2015, where 4 of the top 10 fastest-growing jobs were in the top quintile (Table 2). These are white-collar jobs in the information and communications technology (ICT), legal and financial services, and professional services sectors.

Number one is ICT professionals in computer programming and consultancy, a job that has increased by 39% since 2011. This job, however, employs less than 1% of European workers. In fact, these high-paying, fastest-growing jobs account for a relatively small amount of total employment, so they have had a limited impact on the employment structure overall.

Table 1: Top 10 jobs by employment in the EU, 2011–2015

Occupation	Sector	Employment		Wage quintile
		Current headcount (millions)	% change 2011–2015	
Sales workers	Retail trade	11.98	1.1	1
Teaching professionals	Education	9.69	2.0	5
Market-oriented skilled agricultural workers	Crop and animal production	6.51	-7.7	2
Health professionals	Human health activities	4.75	7.2	5
Personal service workers	Food and beverage service activities	4.26	11.6	1
Building and related trades workers	Specialised construction activities	4.04	-12.5	2
Drivers and mobile plant operators	Land transport and transport via pipelines	3.85	-0.7	3
Health associate professionals	Human health activities	3.72	-0.4	4
Business and administration associate professionals	Public administration and defence	2.98	-1.3	4
Cleaners and helpers	Services to buildings and landscape activities	2.23	13.6	1

Source: EU-LFS, Structure of Earnings Survey – SES (Eurofound calculations)

Table 2: 10 fastest-growing jobs in the EU, 2011–2015

Occupation	Sector	Employment		Wage quintile
		Current headcount (thousands)	% change 2011–2015	
ICT professionals	Computer programming, consultancy, etc.	1,514	38.6	5
Business and administration professionals	Activities of head offices, etc.	646	33.6	5
Legal, social and cultural professionals	Sports and recreation activities	522	23.0	3
Personal care workers	Households as employers	532	20.5	1
Legal, social and cultural professionals	Creative, arts and entertainment activities	661	17.1	4
Stationary plant and machine operators	Manufacture of food products	739	16.7	2
Personal care workers	Residential care activities	1,918	16.2	2
Business and administration professionals	Financial service activities	709	16.1	5
Legal, social and cultural professionals	Legal and accounting activities	1,028	15.2	5
Food preparation assistants	Food and beverage service activities	1,021	14.7	1

Source: EU-LFS, Structure of Earnings Survey – SES (Eurofound calculations)

The top 10 fastest-declining jobs, shown in Table 3, are mainly jobs in the middle of the wage range; no top-quintile job appears in the list (and just one bottom-quintile job). It includes three different construction-related jobs, reflecting the troubles of the sector. Two public administration jobs saw fast

declines, arising no doubt from the widespread public spending restrictions in most Member States in the earlier part of the period. Declining employment of retail managers may relate to the vogue for eliminating middle management positions across the industry, as noted earlier.

Table 3: 10 fastest-declining jobs in the EU, 2011–2015

Occupation	Sector	Employment		Wage quintile
		Current headcount (thousands)	% change 2011–2015	
Sales workers	Wholesale trade	965	-14.4	2
Building and related trades workers	Specialised construction activities	4,039	-12.5	2
Building and related trades workers	Construction of buildings	2,232	-9.0	3
General and keyboard clerks	Public administration and defence	1,306	-8.0	3
Market-oriented skilled agricultural workers	Crop and animal production	6,507	-7.7	2
Hospitality, retail and other services managers	Retail trade	758	-7.5	4
Cleaners and helpers	Households as employers	1,439	-6.7	1
Metal, machinery and related trades workers	Manufacture of fabricated metal products	1,552	-6.5	3
Protective services workers	Public administration and defence	1,751	-5.6	4
Electrical and electronic trades workers	Specialised construction activities	1,040	-4.8	4

Source: EU-LFS, Structure of Earnings Survey – SES (Eurofound calculations)

Core employment stabilising

Part-time employment rose rapidly in 2011–2013, growing across all five quintiles of the wage distribution, even as employment as a whole was declining (Figure 4). In that same period, core employment (full-time, permanent status) fell in all except the top wage quintile. This replacement of full-time by part-time work gave rise to concerns that core employment, with its greater job security, career advancement possibilities and full-time earning capacity, might increasingly be a privilege of workers in well-paid jobs.

However, since 2013, with improving labour markets, employment has grown most in core employment status in all quintiles, although it is still skewed towards the highest-paying jobs. Part-time continued to grow across quintiles, indicative of the demand in the

expanding service economy for working time flexibility in its workforce. Temporary employment also grew across the board – a customary labour market response in a recovery – and self-employment rose in mid-paying and higher-paying jobs. Such developments suggest that atypical employment statuses (part-time, temporary and self-employed) are becoming normalised even in higher-skilled, higher-paying jobs.

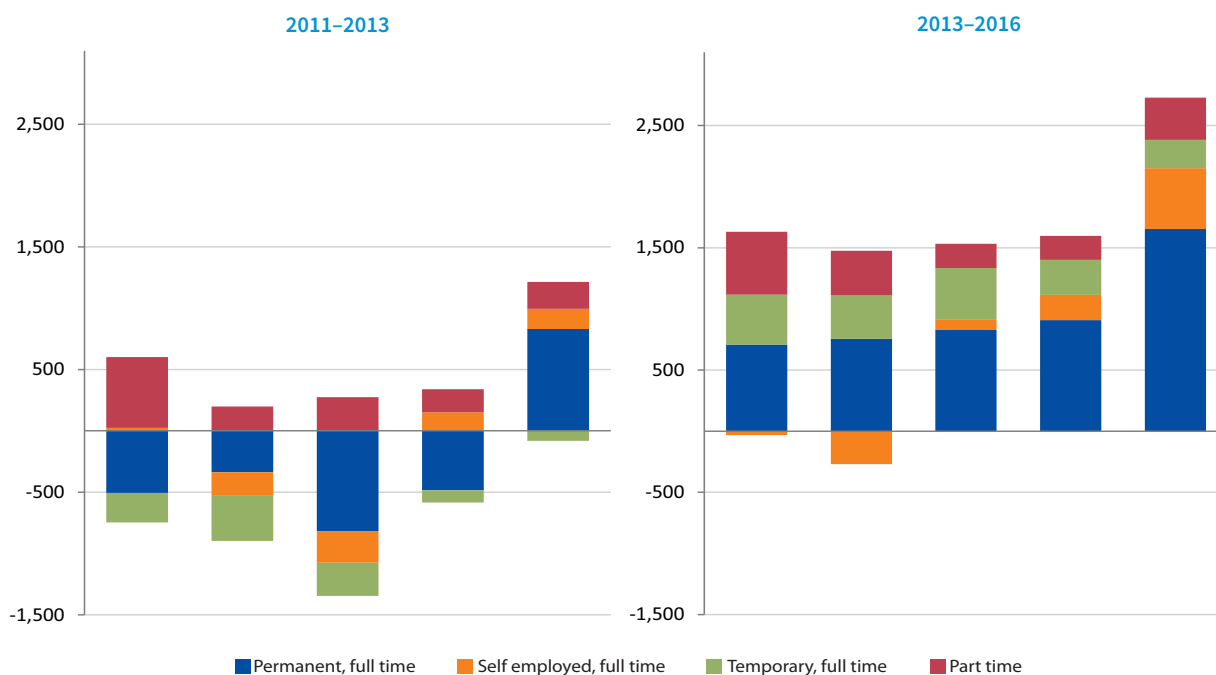
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Occupational change and wage inequality:
European Jobs Monitor 2017

Figure 4: Employment change in the EU by job-wage quintile and employment status, 2011–2016



Source: EU-LFS, Structure of Earnings Survey – SES (Eurofound calculations)



Informal EPSCO under the Slovak EU Presidency

In July, Eurofound Director Juan Menéndez-Valdés addressed the informal meeting of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) in Bratislava on the topic of trends in employment and change in the labour market. He presented Eurofound's most recent evidence on the changing structure of the labour market, new forms of employment and labour market segmentation, arguing that the changes currently taking place in the labour market may define the future of Europe.

Offshoring and technology – Risk to jobs or not?

The loss of traditional sources of work in manufacturing industries and the failure to replace them with equivalent jobs, along with the prolonged effects of the Great Recession, have fed a groundswell of opinion in Europe that is opposed to globalisation. In some quarters, the belief that the offshoring of economic activity to low-cost countries has destroyed employment in manufacturing centres in European and other western economies holds sway. Globalisation is enabled by technological advance, and the role of technology in job loss is also increasingly interrogated. Alarm has increased over the future impact of digitalisation on employment, with an explosion of media analysis detailing the vast numbers of jobs that will be wiped out by robots within a matter of decades. Findings from Eurofound shed light on the actual impacts of some of these transformational forces.

Impact of offshoring

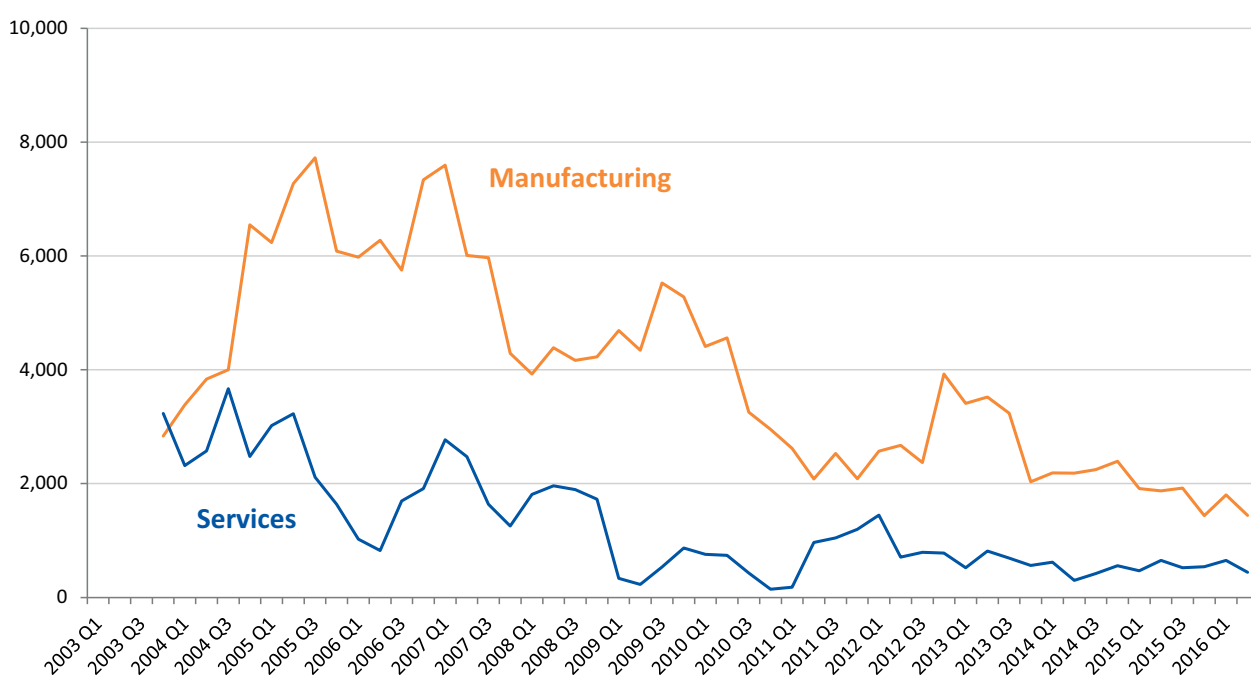
Offshoring means the relocation of parts of production, especially the more labour-intensive parts, to countries with low wages to reduce the costs of manufacture; it has been a prominent feature of globalisation since the 1990s. While the negative impact of globalisation on employment in developed economies has come largely from the failure of local businesses due to foreign

competition, news reports of companies moving their activities abroad can give the impression that offshoring is the main agent of job destruction. ERM data confirm that offshoring has not been a major cause of job losses from large company restructurings in the EU, although the numbers involved are still significant. Of the announced jobs losses in manufacturing recorded in the ERM since 2003, around 1 in 10 was relocated abroad: in all, just over 209,000 manufacturing jobs have been offshored in that time. Across all sectors, the proportion of jobs lost to offshoring was 1 in 20, reflecting the much lower incidence of offshoring in service industries.

The most striking finding from the analysis of ERM records is that offshoring has been in decline since the global financial crisis and the rebound in economic growth has not reversed that trend (Figure 5). Overall, the proportion of announced manufacturing job loss that was due to offshoring fell from over 12% in 2003–2007 to 8% in 2015–2016. This did not coincide with a rise in services offshoring; if anything, the fall in job losses due to offshoring of services was even more marked than that for production jobs.

What might be the reasons for this decline in jobs lost to offshoring? It may have been cyclical. Businesses are more likely to make major strategic decisions involving investment during periods of economic growth and

Figure 5: Announced offshoring job loss in manufacturing and services, 2003–2016



Note: Four-quarter moving average.

Source: ERM

more likely to defer them during downturns. Offshoring involves significant setup costs; GDP is growing again but the severity of the recent recession and global uncertainties still limit companies' global commitment.

A second possible explanation is that the peak offshoring period may already have passed by the time the global financial crisis occurred. Western producers may have had a one-off opportunity in the period from the early 1990s to 2007 to take advantage of the lower wage costs abroad following the opening up and marketisation of the previously closed Chinese and former Eastern Bloc economies. Since then, the pace of globalisation has slowed, and it remains to be seen whether it will pick up again.

Impact of technology

While offshoring may have peaked, we are just at the start of the digital revolution. There is no doubt that technology has replaced and is going to continue to replace, at an accelerating rate, human input in the performance of routine, easily automated tasks; this will lead to the elimination of certain jobs and of certain tasks within jobs. Eurofound examined the decline of employment over 20 years in occupations that involve high levels of routine tasks. Two indicators of routine in occupations were used:

- the degree of repetitiveness (repetitive hand or arm movements, short repetitive tasks or monotonous tasks)
- the degree of standardisation of the work activity (subjection to numerical production or performance targets and to precise quality standards)

Fewer routine jobs, more routine work

These indicators were applied across occupations to show the effect of the changing composition of employment on the average level of routine (repetitiveness and standardisation) in the EU15 (the pre-2004 Member States) between 1995 and 2015. It showed that the relative decline of employment in highly routine jobs has reduced the average level of repetitiveness by 3.6% and the average level of standardisation by 1.6%. This effect may seem small, but it is significant and consistent in all EU15 countries.

The investigation also looked at the overall level of routine task content reported by workers across Europe, which produced rather different results: the reported repetitiveness of tasks has increased by 5.4% while standardisation of tasks increased by 10.7%.

So, while the proportion of routine jobs is shrinking, work is generally becoming more routine over time. In fact, the increase in the reported levels of routine at work seem to be concentrated in occupations that have not traditionally been associated with routine, such as managers, professionals and clerical occupations. This may be a result of the increasing use of ICT in all occupations, which relies on the processing of standardised information.



Table 4: Typology of task content



Physical tasks involve the physical manipulation and transformation of material things, which can be further differentiated into two subcategories:

- strength
- dexterity

Intellectual tasks involve the manipulation and transformation of information and the active resolution of complex problems, which can be further differentiated into two subcategories:

- information-processing (literacy and numeracy)
- problem-solving (information-gathering and evaluation of complex information; creativity and resolution)



Social tasks involve interaction with other people, which can be further differentiated into four subcategories:

- serving/attending
- teaching/training/coaching
- selling/influencing
- managing/coordinating

Resilience of jobs

What are the implications of these results for the debate on the automation of work? Before drawing any conclusions, a further aspect of this research should be highlighted – the creation of a typology of the tasks that jobs comprise (Table 4).

This exercise made clear that tasks do not exist in isolation but are specifically and coherently bundled into particular jobs. A doctor's work, for example, involves high levels of literacy and numeracy tasks, and high levels of problem-solving and social tasks in general (especially managing and teaching), but it will also involve physical tasks, particularly in the category of dexterity.

What this means is that identifying the effect of technology on a particular type of task does not in itself enable us to predict occupational change in the near future. This is because the jobs affected by technological change in some particular types of task input involve other tasks as well, and those other types of task input may be much less easy to automate; technological change may even have a positive effect on the demand for those other types of task input.

It may be that the key factor for the resilience of particular occupations to technological change is not so much the types of task content but the variety of tasks they typically involve. The typical examples of jobs wiped out by technological progress, such as lift operators, tend to be cases of super-specialisation in a single, very specific type of task input. If that is the case, the vast majority of existing occupations would be relatively protected against that kind of technological replacement, since most occupations involve the combination of many different types of tasks across different domains.

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Recent evidence of offshoring and reshoring in Europe

What do Europeans do at work? A task-based analysis:
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Supporting women into paid work

The employment gap between men and women is narrowing. While more women are entering the labour market, the reduction in the gap in recent years is mostly down to the huge job losses in male-employing sectors such as manufacturing and construction caused by the economic crisis and the resilience of sectors that employ high proportions of women, such as health and education.

Gender employment gap

The gender employment gap remains substantial, however. In 2014, the EU employment rate for women was 59.6%, compared with 70.1% for men, a gap of 10.5 percentage points. The gap was highest in Malta, at a striking 25.6 percentage points, followed by Italy and Greece, at 17.9 and 16.9 percentage points respectively, while it was below 5 percentage points in Finland, Latvia, Lithuania and Sweden (Figure 6).

Cost of uneven participation

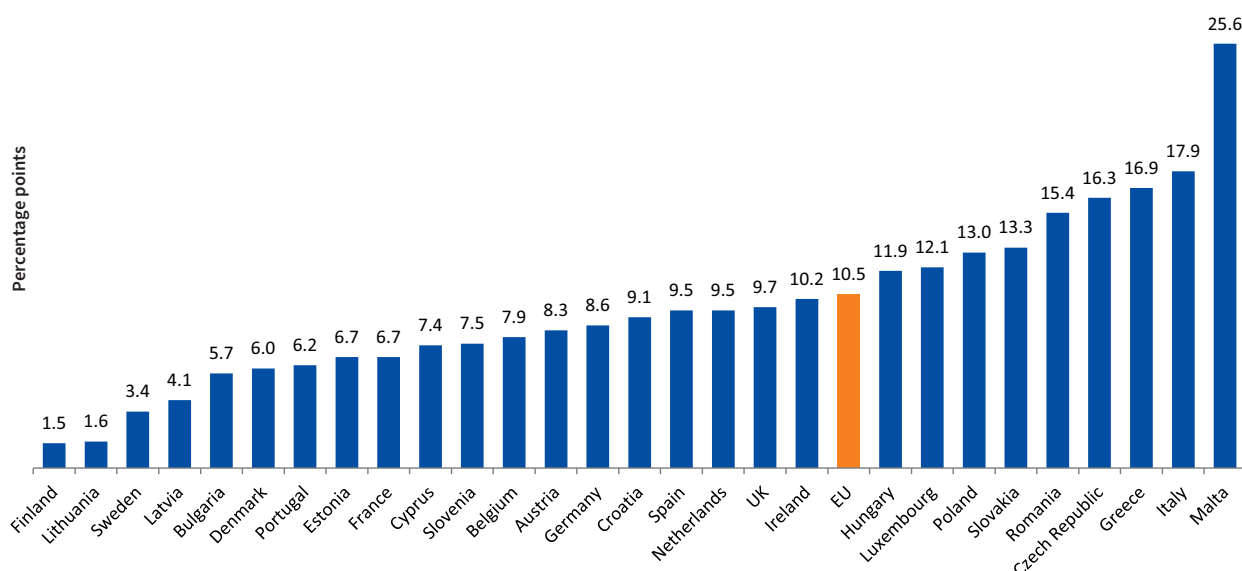
Women's lower participation in the labour market comes at a cost to the EU economy. Eurofound estimated this cost by calculating the sum of the earnings forgone by women outside the workforce, the welfare contributions they would have made had they been working, plus the welfare benefits transferred from the state to them. The figure comes to €370 billion, which corresponds to 2.8% of EU GDP. The cost is highest in those countries where the employment gap is greatest: Malta (8.2% of GDP), Italy (5.7%) and Greece (5.0%) (Figure 7).

Employment rates



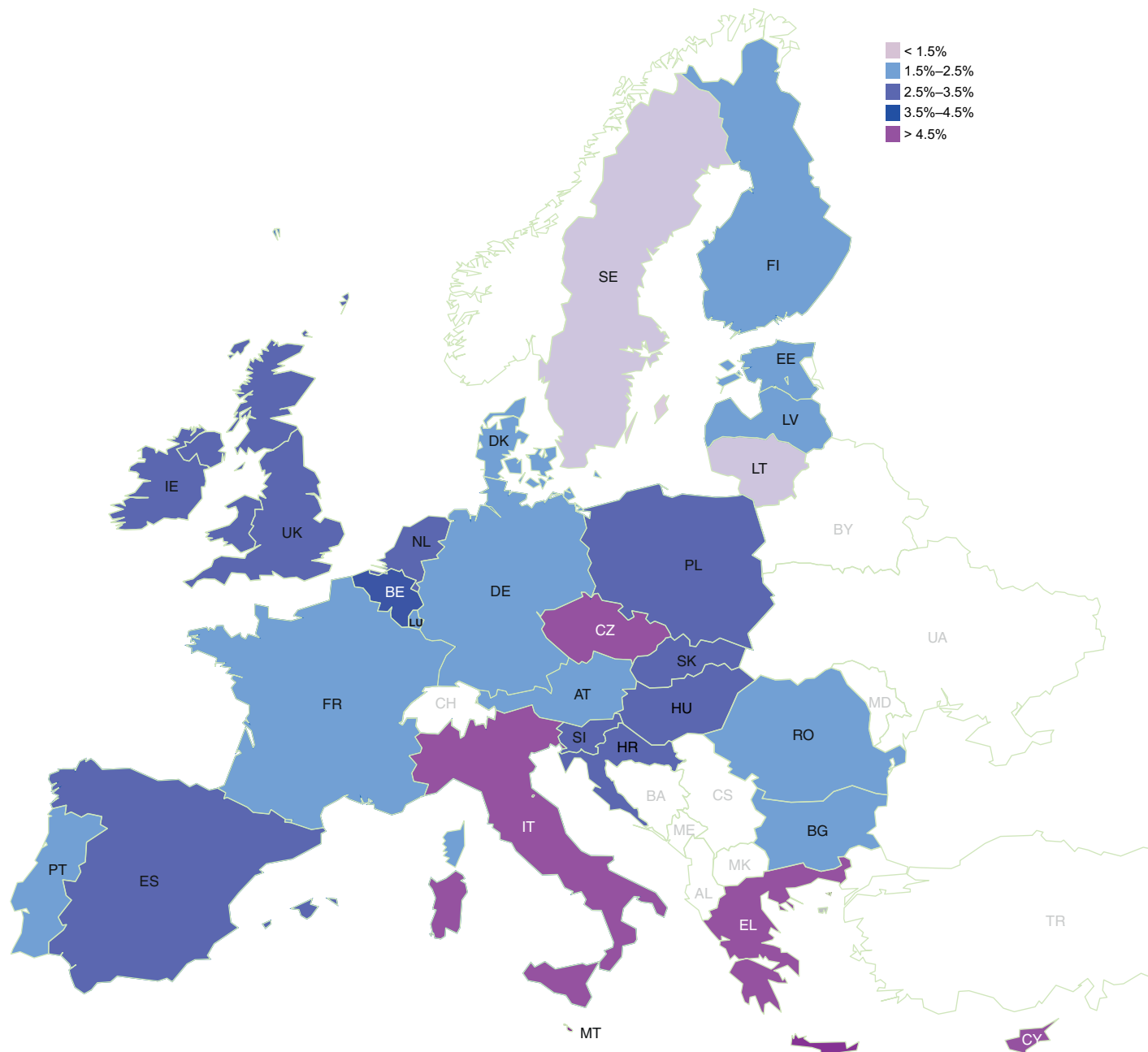
An important caveat is that this figure does not take into account the value of unpaid care and domestic work that women do within the household. If this were included, the economic loss due to the gender employment gap would be lower, given that women perform more unpaid work than men – 22 hours compared with 10 hours per week, according to the sixth European Working Conditions Survey.

Figure 6: Employment gap in percentage points between men and women, EU Member States, 2014



Source: EU-LFS

Figure 7: Cost of the gender employment gap as a percentage of GDP, EU Member States, 2013



Source: EU-LFS 2013, EU-SILC 2013 (Eurofound calculations)

Boosting participation rates

Having children is a major factor determining women's participation in the labour force, and the younger the child, the lower the probability that its mother is working outside the home. Eurofound found that having a child aged under three reduces the likelihood of a woman having a job in most Member States and halves the likelihood in Austria, the Czech Republic, Estonia, Finland, Hungary and Slovakia.

Given this finding, Eurofound conducted an exercise to forecast whether the future participation rates of women might be boosted by policy action enabling greater availability of part-time work, longer paid parental leave and more public childcare. It looked specifically at five countries with particularly low participation rates – Greece, Hungary, Ireland, Italy and Spain – and also Sweden, the country with the highest female participation rate, for comparison.

Table 5: Projected female participation rates – with and without policy intervention

	2013	2020		2030		2040		2050	
	%	No intervention (%)	Enhanced family policies (%)	No intervention (%)	Enhanced family policies (%)	No intervention (%)	Enhanced family policies (%)	No intervention (%)	Enhanced family policies (%)
Greece	62.4	64.1	65.5	67.1	67.9	70.0	70.6	73.0	75.1
Hungary	65.1	66.8	69.5	70.2	72.7	71.3	74.0	71.3	74.0
Ireland	62.8	69.5	71.9	69.6	72.1	69.6	72.3	72.0	74.8
Italy	59.0	63.3	64.7	64.7	65.7	67.0	68.4	68.8	69.8
Spain	70.9	72.3	72.6	71.8	73.2	73.3	74.4	75.5	77.0
Sweden	86.4	88.3	88.3	89.6	89.5	89.4	89.8	89.7	89.8

Source: EU-LFS, Structure of Earnings Survey – SES (Eurofound calculations)

The analysis started with a baseline forecasting exercise to work out the effect on women's participation if no intervention were made, based on current trends, up to the year 2050. This baseline scenario predicted that participation will increase in all countries as older cohorts are replaced by younger cohorts (Table 5).

Under the scenario with enhanced family policies, female participation rates increase by between 1 and 3 percentage points in the five countries with low participation. The projection sees no further gains for Sweden as it already has generous family policies. The results indicate that combined policy action on part-time work, parental leave and public childcare could markedly increase the numbers of working women. If the effects seem small, it is because the policies have an impact on specific segments of the population only: for example, paid parental leave is relevant only for mothers with very young children. When the analysis was broken down further to examine the impact on women aged 20–44 with low levels of education in

Greece, Ireland and Italy, it was found that improving family policies increases participation rates by a striking 10 percentage points.

These findings underline the need for institutions and business to step up the pace on action in favour of women's labour force participation. Cooperation from employers is needed to accommodate the additional costs of mothers who are working part time or on leave without penalising their careers – incentives and support from governments are clearly needed for this. A strong political will is needed to back childcare services and subsidies, which are more costly for the public budget and require long-term investment.

Read more

The gender employment gap: Challenges and solutions

FEMM Committee meeting

Findings from the report *The gender employment gap: Challenges and solutions* were presented to a meeting of the European Parliament Committee on Women's Rights and Gender Equality (FEMM) on 11 October as a contribution to the report *Equality between women and men in the European Union in 2014/2015*.



Fostering young entrepreneurs

Youth unemployment is falling gradually alongside the decline in the general unemployment rate. At the end of 2016, the rate was 18.8%, compared with 19.5% at the same point in 2015. We do not know to what extent a rise in self-employment contributed to this fall, but as youth unemployment soared in the wake of the global financial crisis, governments across Europe acted to support youth entrepreneurship, seeing it as part of the solution. More broadly, it could be a potential source of economic dynamism if sustainable businesses were created.

Start-up support measures

Most Member States have schemes to encourage and support young people to start a business, and the numbers were boosted by the Youth Guarantee scheme. However, a tendency to seek quick fixes has, in part at least, led to many such schemes being poorly designed, often with a lack of coordination between the implementing ministries and other agencies, an absence of explicit objectives and inadequate built-in evaluation of the schemes' impact.

There is enormous variety among the measures available. Some address the fundamental lack of awareness among young people regarding opportunities for entrepreneurship, seeking to promote it as a viable career choice. Several offer programmes that aim to equip young people with the necessary skills and competences to start and run a business. These often include coaching and mentoring to guide the young entrepreneur through the different stages of start-up.

Lack of capital is one of the biggest barriers faced by young people starting out: they lack financial resources of their own as well as the proven experience that would enable them to raise capital from other sources. Governments offer a wide range of publicly funded financial measures to fill this gap, including start-up grants and one-off subsidies, low- or zero-interest loans, and microfinance opportunities. There are also schemes that enable young unemployed people to use their unemployment benefits to finance a business or to support themselves during the start-up phase, as well as offering exemptions from tax and social security contributions.

Long-standing and successful programmes offer a comprehensive set of support measures through different phases, from conceptualisation of the business idea to the actual launch and development of the

business. They put particular emphasis on support in the pre-start-up phase to encourage entrepreneurial motivation and build essential capacities among young applicants to start and develop a business. They also include counselling and training for an extended period of time (beyond the start-up phase). Many also use a staged selection where participants receive a greater level of support after demonstrating relevant capabilities and strong motivation and commitment. Such schemes require adequate and substantial financial resources.

Success not guaranteed

The bulk of interventions do not follow this model, however: most are small-scale, standalone, temporary measures with limited financial resources. There is also a lack of coherence and complementarity across different types of measures, arising from the failure of different ministries and other bodies to coordinate their activities. These institutional barriers ultimately undermine the effectiveness of policies. On the positive side, both the European Social Fund (ESF) and the Youth Guarantee have contributed to ensuring that measures are linked more effectively to an integrated national framework rather than left in a special category of their own.

Evaluating the results

Most schemes fall down when it comes to evaluating the extent to which they have achieved their aim. There is very little appetite for proper evaluation, even though it should be an integrated part of any policy; when funding is tight, it is easy to dispense with spending on appraising the measure, which can be costly. When evaluation does take place, simpler, less sophisticated forms are preferred, such as gathering data on take-up or the self-reported views of participants. These tend to yield more positive results than more rigorous impact evaluation. When more sophisticated and costly evaluations are carried out, they tend to find that start-up schemes have little or no impact. This is not an argument to abandon such schemes. The evidence that is gathered should be used to feed back into schemes to make them more effective and redesign them if necessary. If this is not done, the risk is that ineffective interventions that fail to address any youth problem are perpetuated and public money is wasted.

Read more

Start-up support for young people in the EU: From implementation to evaluation

Eurofound's impact on EU policy

Eurofound's strategic objective for the 2013–2016 work programme period was to provide high-quality, timely and policy-relevant knowledge as input to better informed policies. In 2016, Eurofound's research results were included in 315 EU policy documents. The following is a sample of key documents that cited Eurofound's work.

European Parliament: Resolution on creating labour market conditions favourable for work–life balance (2016/2017(INI))

European Parliament: Resolution on how best to harness the job creation potential of small and medium-sized enterprises (SMEs) (2015/2320(INI))

EPSCO: A new start for a strong Social Dialogue – Council Conclusions (16 June 2016)

European Council: Joint Employment Report

European Commission: Staff working document: Key economic, employment and social trends behind a European Pillar of Social Rights, SWD(2016) 51 final

European Commission: Communication on the Youth Guarantee and Youth Employment Initiative three years on, COM(2016) 646 final

European Commission: Employment and Social Developments in Europe 2015

EU social partners: Declaration on a new start for a strong Social Dialogue

European Economic and Social Committee (EESC): Opinion of the European Economic and Social Committee on fighting poverty, SOC/530

Social Protection Committee: Towards better health through universal access to health care in the European Union



Win–win workplace practices

Eurofound analysed the feedback from 32,000 workplaces to its European Company Survey to discover which combinations of workplace practices result in win–win outcomes – outcomes that are mutually beneficial for companies and their workers. Both sides can also gain from individual workplace practices: variable pay schemes, under certain circumstances, can

increase employee motivation and contribute to better company performance. Win–win is achievable in other situations, too, such as negotiations between management and employee representatives when companies seek to instigate change and in new employment arrangements.

Variable pay and employee benefits

Around 6 out of 10 private sector companies in the EU offer some kind of performance-related pay to at least some of their employees, according to the third European Company Survey (ECS). Such pay schemes are increasingly popular and supported by employers and trade unions. Employers regard linking reward to individual and business performance as an effective way of motivating employees to mobilise their efforts more determinedly in the interest of the business and as a powerful tool to attract and retain employees, especially the top performers. Unions view reward schemes positively, although they express concern that particular types of schemes or how they are implemented might lead to injustice or discrimination. And governments often incentivise the use of reward schemes through favourable tax treatment or reduced social security contributions.

Variable pay schemes (where supplementary pay is based on worker or company performance) are very common in eastern Europe: they are used by more than 80% of establishments in the Czech Republic, Estonia, Lithuania, Slovakia and Slovenia (Figure 8). At the other end of the spectrum are Belgium, Croatia and Cyprus, where less than half of establishments incorporate variable pay in their remuneration structures.

Who benefits?

However, not all employees in an organisation are necessarily included in such schemes. In fact, just one in four employees (27%) reported that their earnings included some form of variable pay in the sixth European Working Conditions Survey. This minority is more likely to

be male, a manager, working full time or higher-paid and less likely to be female, in a non-managerial job, working part time or lower-paid.

Evidence from national sources suggests, however, that the distribution of schemes is more even across the workforces in some countries. For instance, a survey of German companies found that 36% of them offered shares to a broad range of employees, while 15% offered them solely to their executives. Hungarian research shows that 95% of companies using these systems apply them to all employees.

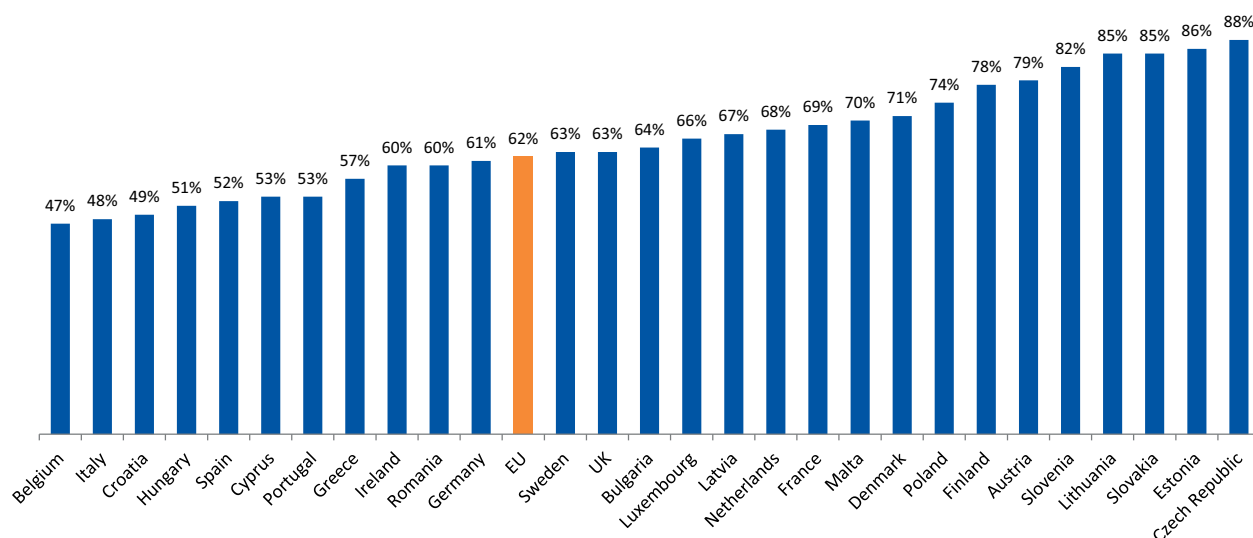
National information sources also give some idea of how much of employees' salaries are constituted from variable pay, indicating that it usually represents a relatively significant percentage of total salary levels, ranging from 5% to 11% in most of the countries where information is available. At the low end of the range are Bulgaria and Italy, where bonuses represent around 5% of an employee's gross annual earnings. In contrast, in Estonia and Lithuania, countries where variable pay schemes are very prevalent, such pay represents a large share of the total salary – around 20% of total pay for the average Estonian employee, and 25% of pay in Lithuania.

Forms of variable pay

The ECS distinguished five forms of variable pay implemented across companies:

- payment by results (for example, piece rates, provisions, brokerages and commissions)
- pay linked to individual performance following management appraisal

Figure 8: Percentage of companies using variable pay schemes in EU Member States



Source: ECS 2013

- pay linked to group performance of the team, working group or department
- profit-sharing (linked to the results of the company)
- share-ownership schemes offered by the company

The most common form is that linked to individual worker performance after management appraisal (43%), followed by payment by results (34%), profit-sharing (30%) and pay linked to group performance (25%). Share-ownership schemes exist in just 5% of European companies.

Fringe benefits

Employers also provide non-cash benefits (fringe benefits) to employees, such as meal vouchers, life insurance, company products supplied free or at a reduced price, company cars, housing, or the use of company facilities. These tend to be more widely

distributed across staff and to account for a smaller part of the wage bill than variable pay.

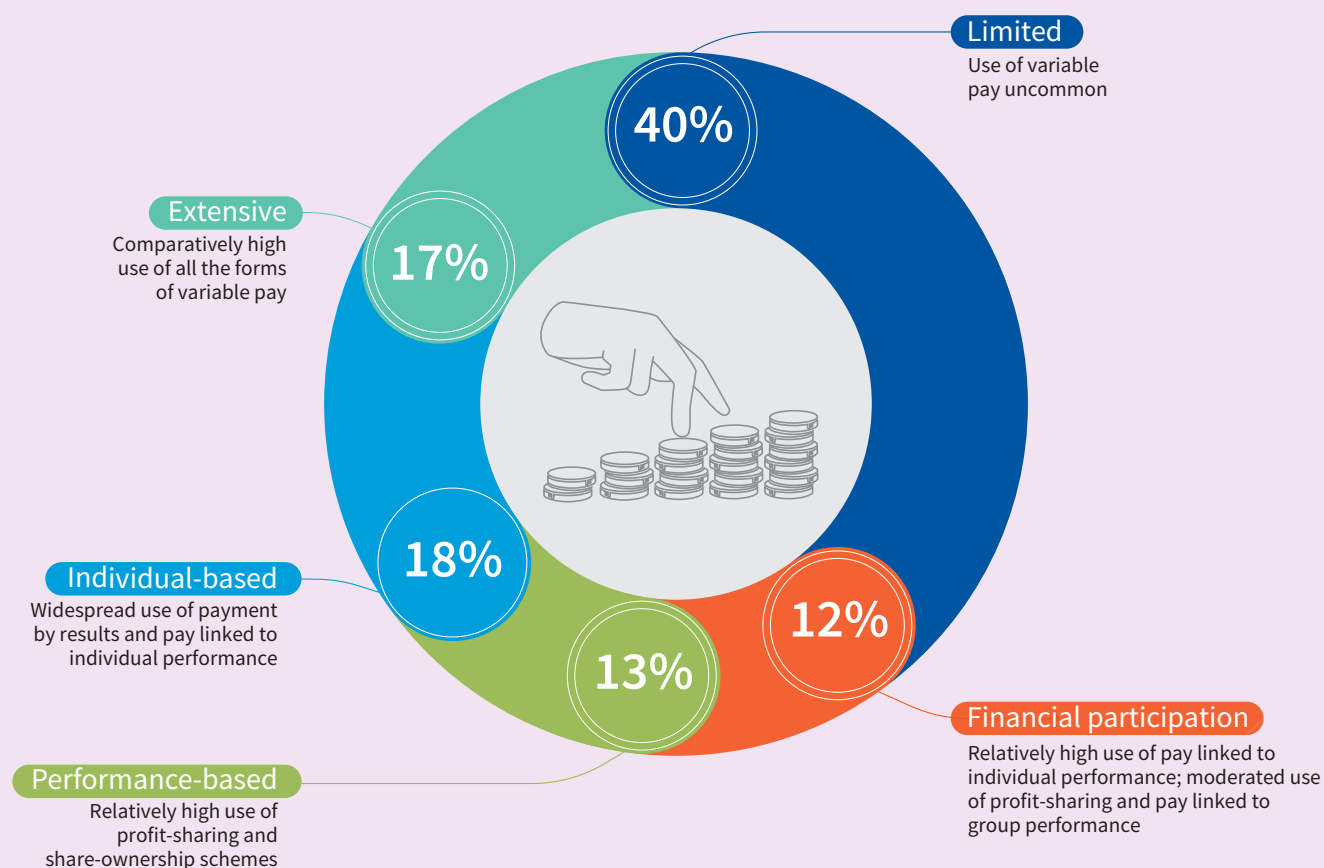
Data on fringe benefits are patchy, but national surveys provide a picture of how widespread their use is in different Member States. In Belgium, for instance, almost all employees (95%) receive some type of non-cash benefit; the most prevalent are commuting refunds (received by 67% of employees), luncheon vouchers (61%) and hospitalisation insurance (60%). A survey of Latvian full-time employees found that half of them received at least one type of benefit in the year prior to the survey – these included health insurance, company gifts, reimbursement of travel costs, company car, paid mobile phone and meal subsidies.

Non-cash benefits are less popular in other countries. For example, 10% of Greek employees receive free or subsidised meals at work, 8% benefit from discounts on goods produced by their company, and 5% from

Linking variable pay to company type

Can some link be made between the type of company and the use of variable pay systems? As might be expected, these systems are more prevalent in large companies and in the financial services and ICT sectors, but Eurofound probed more deeply to see if there was an association with company practices. The analysis identified five distinct groups of establishments according to their use of variable pay, described in Figure 9.

Figure 9: Use of variable pay schemes in EU Member States



Source: ECS 2013

Companies where the use of variable pay is extensive have certain characteristics and practices that distinguish them from companies in the other groups. They are more likely to:

- grant employees paid time off for training
- allow employees to use accumulated overtime for days off
- have autonomous teams
- report innovation

A high proportion also report good financial results (70%), second only to the financial participation group (72%)

Note: This analysis differs somewhat from that in the third ECS overview report as it took more information into account and distinguished more nuanced categories.

subsidised utility bills. Just 11% of Irish employees and 9% of Italian employees benefit from non-cash rewards.

Expectations of growing use

The economic crisis curtailed the use of variable pay as companies sought to reduce labour costs, but the use of these schemes is very likely to grow again as the economy recovers. They give employers flexibility to adjust labour costs, and are a tool for motivating employees and rewarding effort. Reward schemes are also a means for employers to augment their

attractiveness and differentiation, especially if they find it difficult to attract well-qualified candidates to fill positions. Employees are generally in favour of reward schemes, although some forms or uses of variable pay have been criticised for being a means for managers to reassert control in a context of lower or stagnant fixed-salary levels. Unions also argue that performance can be a legitimate reason for differences in pay, but the systems that assess performance must be robust and transparent.

Read more

Changes in remuneration and reward systems



Visiting Eurofound

Ireland's Minister for Jobs, Enterprise and Innovation, Mary Mitchell O'Connor (centre), visited Eurofound on 29 August. She was greeted by Eurofound Director Juan Menéndez-Valdés and Deputy Director Erika Mezger.

Role of trust in company-level social dialogue

Companies across Europe face ongoing challenges to remain competitive and successful, and to change their organisations to adapt to new challenges. Change takes many forms, such as revising business models, reskilling or reducing workforces, incorporating new technologies, changing the scope of the business, outsourcing, changing the terms of employment, and new work organisation. For companies with formal employee representation, this process has involved engaging in dialogue with trade unions or other forms of employee representation. Much is made of achieving win-win outcomes in the negotiations around change.

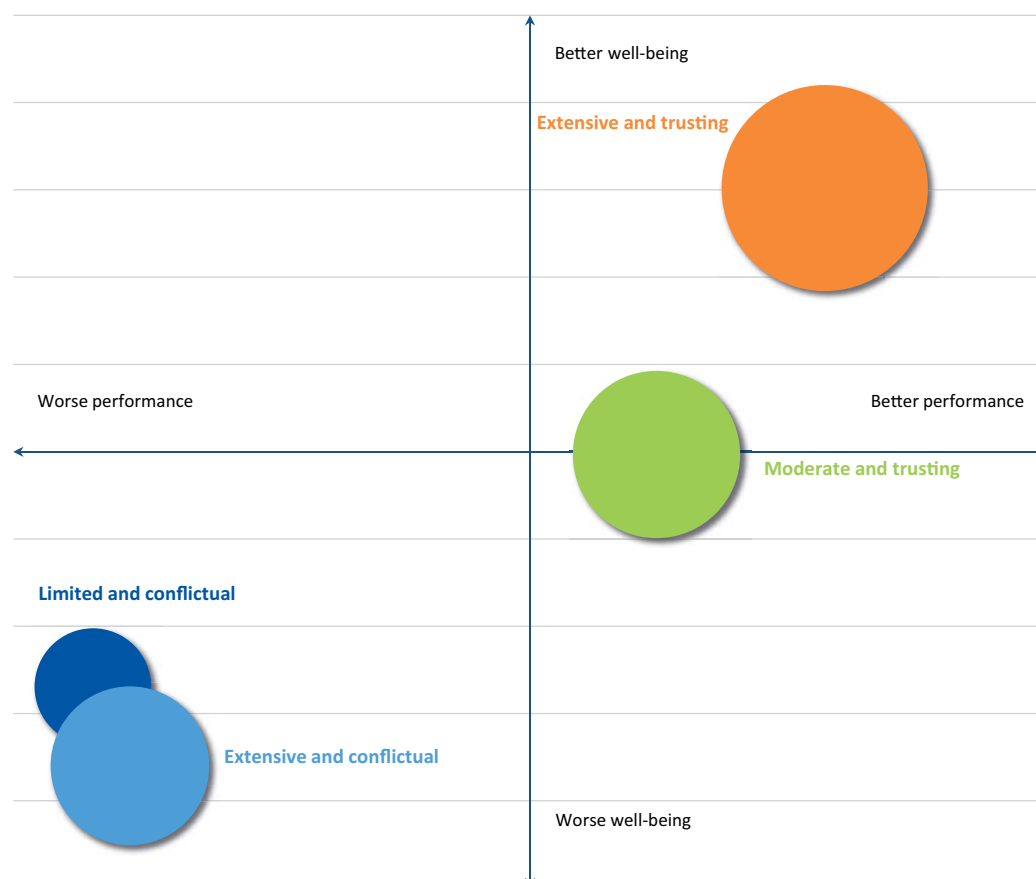
What factors contribute to win-win outcomes from negotiations between management and employees? With collective bargaining increasingly decentralised to company level, it is useful to gain an insight into what constitutes well-functioning social dialogue at this level, how negotiations are conducted and how that affects outcomes.

Trust or conflict

Social dialogue practices vary across workplaces in terms of how well-embedded social dialogue structures are and according to the attitudes of both management and employee representatives. Based on data gathered in the 2013 ECS, Eurofound identified that a major distinguishing factor between companies was whether social dialogue in the workplace is built on trust or conflict between the two sides.

Trusting social dialogue: In companies where levels of trust are high, a culture of cooperation exists, problems are solved jointly, and industrial action is rare. Companies with trusting social dialogue can be broken down further according to the level of support given to employee representatives. It can be extensive, with representatives receiving a high level of information and having a high level of influence; or it can be moderate, where representatives are less well-resourced and informed, which lessens their influence on decision-making.

Figure 10: Outcomes for workplace well-being and establishment performance by social dialogue type



Source: ECS 2013

Conflictual social dialogue: In companies where relationships are conflictual, mutual trust between management and employee representatives is very low and the level of industrial action is relatively high. These companies again can be divided according to the level of resourcing. Where it is extensive, employee representatives are relatively well resourced and informed and feel they have some influence in decision-making, but this is comparatively low. Where resourcing is low, representatives receive limited information and believe they have little influence.

Association with well-being and performance

The association between each type of social dialogue and both workplace well-being (benefiting workers) and establishment performance (benefiting companies) can be very different. This relationship is illustrated in Figure 10, which suggests that the best outcomes for both workers and companies occur in workplaces where trust exists and support for employee representatives is high, represented by the orange circle. Where social dialogue is predominantly conflictual, both workplace well-being and establishment performance are lower on average.

Bargaining stances

Outcomes are produced through a series of interactions between management and employee representatives. The way the different interests of the two parties are addressed in these interactions influences the potential outcomes. To examine in greater detail how companies achieve win-win outcomes, Eurofound selected 20 companies of different sizes from different sectors and countries that had been through a negotiation process to tackle various challenges. Of specific interest was the bargaining stance companies adopted to resolve the issues at stake – whether it was integrative or distributive, corresponding to trust-based or conflict-based social dialogue.

Integrative bargaining operates in such a way that the two parties try to find common or complementary interests, solve common problems and achieve a win-win outcome. Open exchange of information is crucial, as this builds trust. Cooperation and reciprocal concessions characterise this type of bargaining.

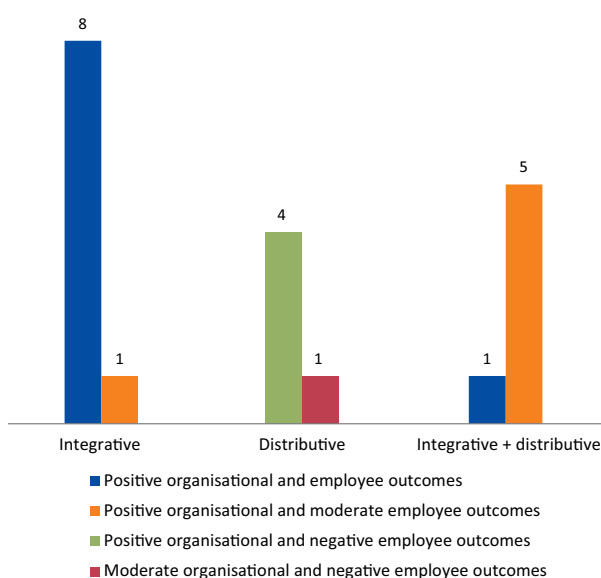
Distributive bargaining is essentially a fixed-sum game in which one party's gains are the other party's losses and will usually have a win-lose outcome. Distributive bargaining is founded on a well-organised trade union structure, with employee representatives having experience of negotiations.

Of the case studies, nine took an integrative approach and five took a distributive approach. The remaining six combined integrative and distributive approaches; in these cases, much of the negotiations took an integrative path, but on certain issues, such as wages, the worker side was presented with a 'take it or leave it' option.

Results of negotiations

The outcomes of the negotiations were classified on the basis of whether they were positive or negative for the company and the employees depending on bargaining type – in some cases, it was too early to tell, so the outcome anticipated by management and employee representatives was recorded instead. The overall outcomes by type are presented in Figure 11. In all but one case, the negotiations produced positive actual or anticipated outcomes for the companies regardless of bargaining type; in the one exception, it was nevertheless a moderately positive outcome. Win-win outcomes – positive organisational and employee impacts – were almost exclusively associated with integrative, trust-based negotiation, while distributive, conflict-based negotiation yielded only negative employee impacts.

Figure 11: Outcomes from negotiations according to bargaining stance



Source: Eurofound case studies

These impacts have to be seen against a background of economic crisis and government action to strengthen public finances and reduce public debts. These factors swayed the hand of management in many of the companies, particularly those with some institutional dependence on state activities. Nevertheless, the results of the study are instructive. Companies with trusting social dialogue appear to register the most positive outcomes for both organisations and employees. Very few cases (fewer than one-third of the companies) of the conflictual type produce positive results for both organisation and employees.

Read more

Win-win arrangements: Innovative measures through social dialogue at company level

Third European Company Survey – Overview report: Workplace practices – Patterns, performance and well-being

Strategic employee sharing: A win-win arrangement?

New forms of employment are emerging to meet the needs of both employers and workers for greater flexibility in working arrangements. Nine new forms of employment were documented in a 2015 study by Eurofound, and these are being examined individually in turn to see in detail the benefits they may offer and what they imply for working conditions and labour markets. In 2016, the spotlight was placed on strategic employee sharing as an employment form that has the potential to give employers workforce flexibility without disadvantaging employees.

Employers are criticised for the overuse of flexible employment contracts because of the poorer job and income security such contracts offer employees compared with permanent full-time employment: the employer benefits from this arrangement, but the employee loses out. Nevertheless, flexible contracts give employers scope to hire when employing a permanent worker is not justified. Strategic employee sharing is an alternative approach that is feasible in some situations and could mutually benefit both sides.

Strategic employee sharing is the joint hiring of workers, ideally on a permanent and full-time contract, by a group of employers with specific human resources needs that recur from time to time. The participating companies establish an employer group, which becomes the formal employer of the shared workers and coordinates their assignments to the participating companies. While the structure is similar to a temporary work agency, it differs in that the employees work exclusively for the participating employers, not client companies, and it does not exist to make a profit. In addition, the participating companies have joint and several responsibility and liability for the shared workers' wages and social security contributions.

The concept was born in the agricultural sector of the French region of Poitou-Charentes in the late 1970s. Since then, it has slowly spread across Europe and into other sectors, usually operating at regional level, although it remains marginal. For instance, it is estimated that in France, where it is most established, around 5,600 employer groups with 100,000 participating companies were operating in 2014. These employed 35,000–40,000 workers, which corresponds to approximately 0.2% of the overall workforce in France.

Uptake remains low partly because it is a niche arrangement that addresses a specific type of labour demand and cannot be used more generally.

But it can be an attractive option. For employees, it provides permanent full-time jobs, which a single company would not otherwise offer, guaranteeing them the full rights and protections of a permanent employee. They are also guaranteed the same pay and treatment as the core staff of the participating companies. Furthermore, working between several companies can be an opportunity for employees to develop their skills, which improves their employability.

For companies, the main advantage is the access to workers when they are needed for a temporary period, making it a cost-effective means of hiring for a specific type of human resource demand. The fact that the same workers repeatedly rejoin the company and that some HR administration tasks are covered by the employer group manager contributes to efficiency and productivity in the participating companies.

There are possible downsides for both parties. Shared employees may experience more stress if they are always assigned to high work-intensity phases in the different workplaces. They may also be less able to influence the scheduling of their working time and may be less well integrated into the work organisation of the individual companies. Potential disadvantages for participating companies may arise in cases of misconduct or of unforeseen business problems in other participating companies, when the joint responsibility and liability within the employer group obliges them to cover for the deficiencies of others. Furthermore, the partial access to the shared workers might cause difficulties with workflow and work organisation that might negatively influence productivity.

Despite these potential disadvantages, however, it is generally felt that the potential of strategic employee sharing is underdeveloped, given that it holds out the prospect of a win-win situation for both employers and employees and might well be more desirable than other employment arrangements.

Read more

New forms of employment: Developing the potential of strategic employee sharing

Eurofound and the European Pillar of Social Rights

In March 2016, the European Commission launched a public consultation on a European Pillar of Social Rights, an initiative of Commission President Jean-Claude Juncker to strengthen the social dimension of Economic and Monetary Union and renew convergence in employment and social affairs. This action is critical in a Europe where there has been an increase in scepticism about the legitimacy of the European project and where trust in EU institutions is sliding.

The intention is that the Pillar will be a reference framework against which to assess the employment and social performance of Member States and drive reform. It is divided into three categories: equal opportunities and access to labour markets; fair working conditions; and adequate and sustainable social protection. Eurofound's activities map closely onto these three areas, and throughout 2016 the Agency was proactive in contributing to the debate.

- In April 2016, Eurofound Director Juan Menéndez-Valdés attended the informal meeting of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) in Amsterdam, at which the proposal for the introduction of the European Pillar of Social Rights was explored.
- Eurofound staff participated in three expert hearings organised by the Directorate-General for Employment, Social Affairs and Inclusion in May and June 2016 as part of its public consultation on the Pillar. At the first hearing, 'The future of work', Eurofound's contribution was based on the findings from its 'New forms of employment' project. The second hearing, 'Labour market transitions – Revisiting flexicurity', presented the Agency's work on flexicurity – the concept of an integrated strategy that combines flexibility for employers with employment security for workers; Eurofound also produced a paper on flexicurity in the Social Pillar. At the third hearing, 'The future of welfare systems', Eurofound was a discussant on the session dedicated to enhancing the efficiency and effectiveness of social protection.
- The European Parliament's resolution of 19 January 2017 on the European Pillar of Social Rights refers to Eurofound findings on pay, access to healthcare, non-take-up of social benefits, new forms of employment, inadequate housing and working conditions. It also calls on Eurofound to further develop its activities in monitoring job quality and working life throughout the EWCS and to further develop its research on policies, social partner agreements and company practices that support better job quality and working lives.
- Eurofound attended the informal Social Protection Committee (SPC) and Employment Committee (EMCO) meetings in Bratislava in September 2016, where the committees sought to develop a common opinion on the Pillar. The Agency also contributed relevant research findings as background evidence for the European Economic and Social Committee (EESC) opinion on the Pillar.
- Eurofound representatives attended and contributed to several events by other stakeholders such as the Social Platform and the European Anti-Poverty Network (EAPN), to exchange views on the Pillar.





Working life

In 2016, Eurofound released the full findings of the sixth European Working Conditions Survey (EWCS), an investigation of the working lives of Europeans, conducted every five years. Progress is clear, if gradual, in many areas, including better physical working environments, greater investment in skills development and fewer people working long hours. Yet inequalities and differences in terms of gender, employment status and occupation remain. And one-fifth of jobs in Europe are classified as poor-quality jobs.

Job quality must be to the fore as we move into a new era of work brought about by digital technology. The certainties around work are fracturing, and the working conditions of this future world are hard to predict. Robots will take over many of the tedious and hazardous tasks that people perform, and the digital economy is likely to provide opportunities for more creative and flexible working. However, early evidence from the experiences of workers employed under emerging digitally driven business models is that many of these workers currently enjoy few protections. On the positive side, the European Commission's initiative to strengthen social dialogue may enable the representatives of employers and workers to reassert influence over the evolution of work to the benefit of both sides.

Job quality in its multiple dimensions

The sixth EWCS provides an in-depth account of people's current experience of work in Europe and an overview of working lives through the focus of job quality. The survey is exhaustive, gathering detailed data on almost every aspect of working life, from working time to relationships with colleagues to opportunities for training, from nearly 44,000 workers across Europe. To give a clear insight into what all this data says about job quality, Eurofound has drawn on the data to develop seven indices representing different dimensions of job quality:

- physical environment
- work intensity
- working time quality
- social environment
- prospects
- skills and discretion
- earnings

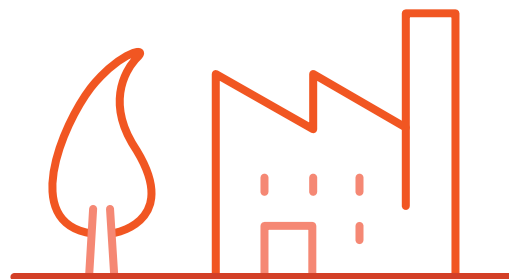
Each index measures a dimension of job quality that influences the health and well-being of workers. The indices are measured on a scale from 0 to 100, apart from the earnings index, which is measured in euro. The higher the index score, the better the job quality, except for work intensity, where the reverse is the case (the higher the score, the lower the job quality). A snapshot of the findings for each of the indices follows.

Physical environment

The physical environment index measures workers' exposure to three types of physical risks in the work environment:

- posture-related risks, such as repetitive movements and lifting people
- ambient risks, such as noise, vibrations and extreme temperatures

- chemical and biological risks, such as exposure to smoke, toxic vapours and infectious materials



2010

2015

15%

Contact with chemicals

17%

11%

Contact with infectious materials

13%

11%

Exposure to cigarette smoke

9%

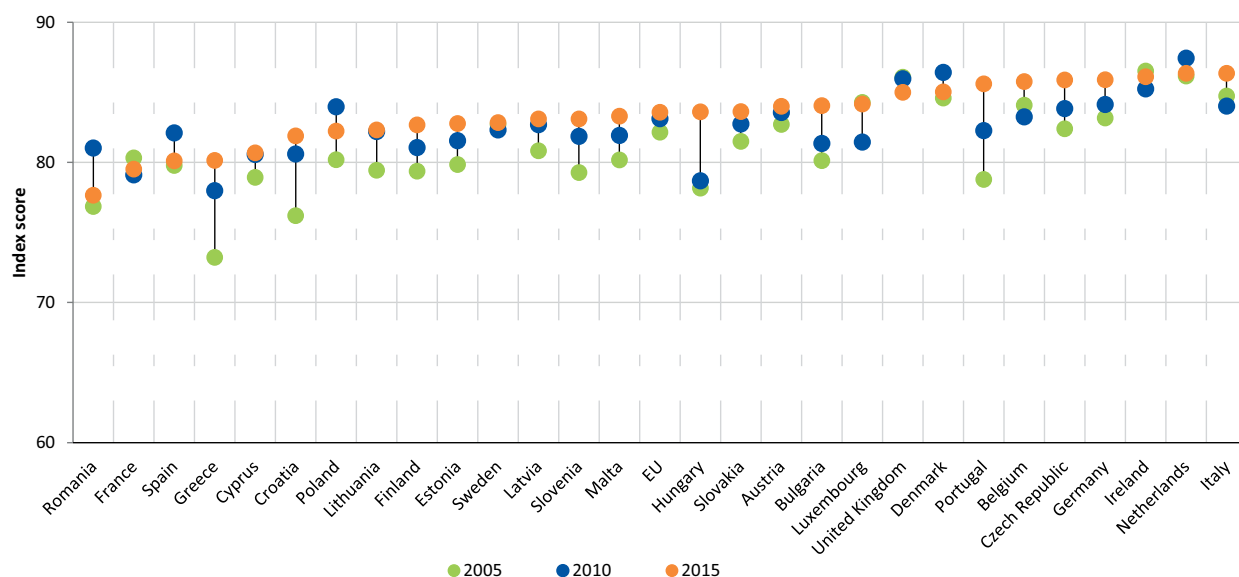
This index has risen marginally over the years, from 82 in 2005 to 83 in 2010 to 84 in 2015, signifying decreasing exposure to physical risks. Most European countries have improved on this index since 2005, with the exceptions of France (the second-lowest-scoring EU country) and the United Kingdom (Figure 12). The most notable improvements were reported in Greece, Portugal (both having a seven-point increase), Croatia (up six points) and Hungary (up five points).



Launch of the overview report of the sixth EWCS

Eurofound launched the overview report of the sixth EWCS at a conference in the European Parliament in Brussels on 17 November. Among the high-level attendees were Members of the European Parliament, the European-level social partners, and representatives of the European Commission, the ILO and the OECD, as well as members of the European Economic and Social Committee (EESC) and the Employment Committee (EMCO).

Figure 12: Member State scores on physical environment index, 2005–2015



Source: Sixth EWCS

The most common physical risk is repetitive hand and arm movements, reported by 61% of workers.

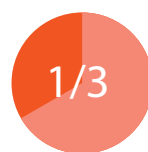
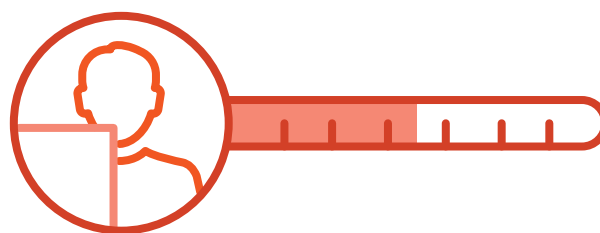
Men and women often experience different levels of exposure to physical risks, reflecting gender segregation across sectors and occupations. For instance, 14% of women lift or move people in their jobs compared with 6% of men, whereas 19% of women endure loud noise compared with 35% of men.

Work intensity

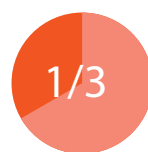
The work intensity index measures how demanding the job is. Factors such as workload, pressure of deadlines, determinants of the pace of work and the emotional demands of the job are all included in this index. Work has intensified slightly since 2010 – rising from 41 to 42 in 2015 – but there has been a small decrease overall since the 2005 score of 43.

Pace of work

Workers' pace of work can be determined by several factors: clients, performance targets, the speed of an automated machine or system, or direct demands from a supervisor. Having multiple pace determinants can contribute to the stressfulness of work. Survey findings show that 33% of workers overall are exposed to three or more pace determinants, but the figure rises to nearly half (45%) in the case of craft workers and plant and machine operators.



Works to tight deadlines



Works at high speed



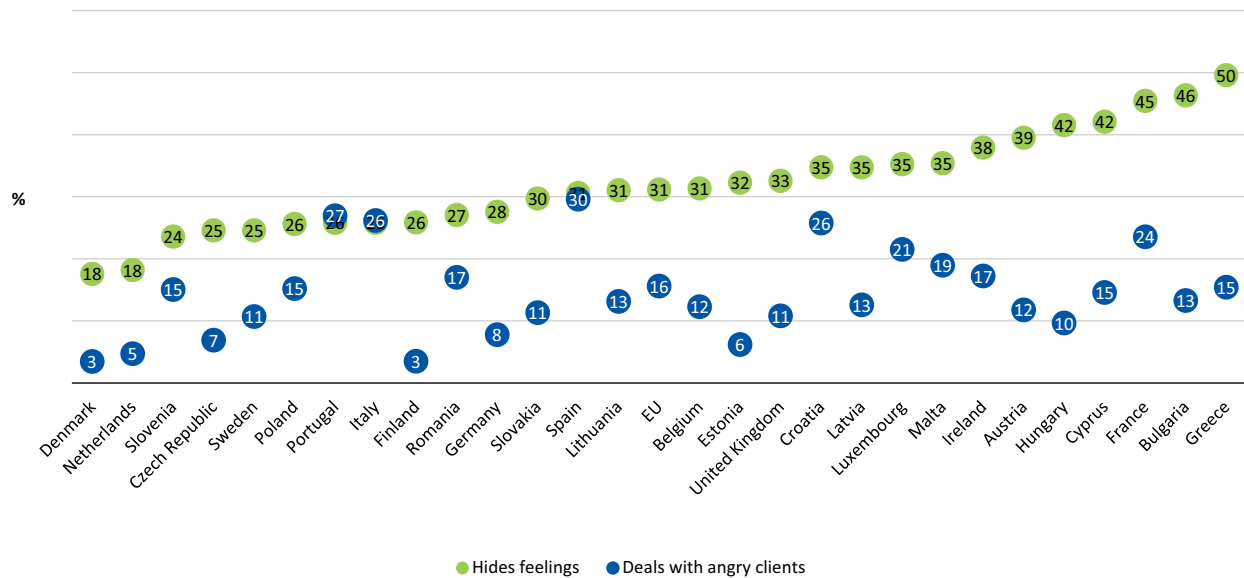
Do not have enough time to do their job

Emotional demands

On average, one-third of workers hide their feelings at work all or most of the time. But fewer than one in five workers in Denmark and the Netherlands does so, compared to half or nearly half of all workers in France, Bulgaria and Greece (Figure 13).

Some 16% have to handle angry clients or customers at least three-quarters of their time at work, a rise of 6 percentage points since 2010. But on a country level, the figure ranges from 3% in Denmark to over 25% in Croatia, Italy, Portugal and Spain.

Figure 13: Percentage of workers exposed to different emotional risks

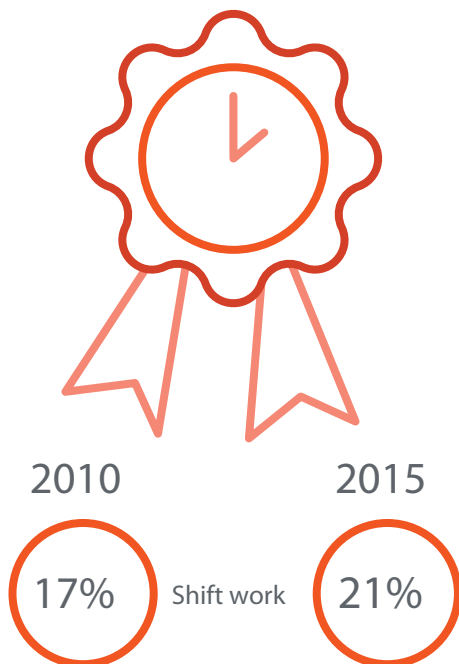


Source: Sixth EWCS

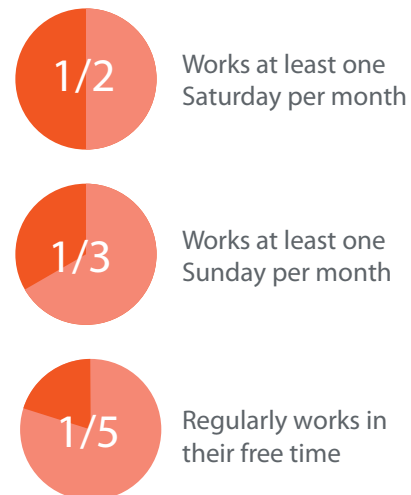
Working time quality

The working time quality index measures the duration and organisation of time at work. It has risen by 2 points since 2005 with a score of 84 points in 2015.

The length of the average working week continues to decline – from 39 hours in 2005 to 38 hours in 2010 to 36 hours in 2015. This decline is essentially a result of more people working part time and fewer people working long hours. Men continue to work more paid hours a week on average (39 hours) than women (33 hours).



Of all workers in the EU in 2015 ...



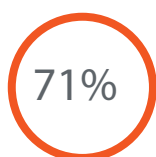
Long hours and short hours

Working long hours and working very short hours both can have negative effects. Around 15% of workers usually work long hours (48 hours per week or more), down from 16% in 2010. These workers are more likely than workers with standard working hours to have problems with work–life balance and to report that their health and safety is at risk because of work, that work affects their health negatively and that they feel exhausted at the end of the working day. Moreover, they are twice as likely to work when sick.

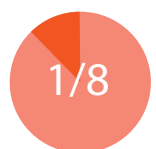
A similar proportion of the workforce works very short hours (20 hours a week or fewer). Not only do these workers have lower earnings, 42% would prefer to work more hours than they currently do, suggesting that this type of schedule is not the option many would prefer.

Social environment

The social environment index measures the extent to which workers experience supportive social relationships, on the one hand, and adverse social behaviour such as bullying, harassment and violence, on the other, in the workplace.



Receive support from colleagues



Rarely or never receive support from colleagues

Good social climate

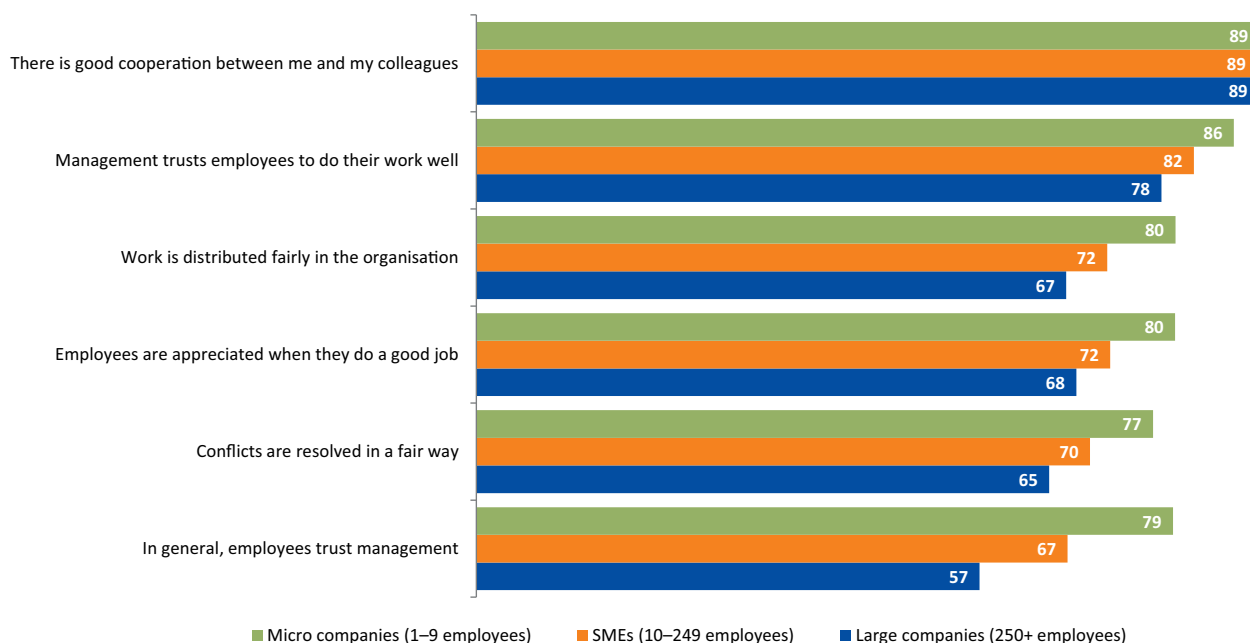
Different workplace dynamics contribute to a good social climate at work, and the majority of workers experience these positive aspects of work (Figure 14). Employees of smaller workplaces are more likely to do so.

Adverse social behaviour

The prevalence of adverse social behaviour is low, but it can have a serious harmful effect on the health and well-being of those who are subjected to it. Some 16% of workers had experienced one of the following adverse social behaviours in the 12 months prior to the study: verbal abuse, unwanted sexual attention, humiliating behaviour, threats, physical violence, and bullying or harassment.

All adverse social behaviours are experienced by women to a much greater extent than by men, except for threats. Regarding occupation, almost all adverse social behaviours are most commonly reported by service and sales workers.

Figure 14: Percentage of workers who experience different aspects of a good social climate by workplace size



Source: Sixth EWCS

Prospects

The prospects index measures a worker's security in their job and their opportunities for progressing in their career.



Career advancement

More men than women believe they have good prospects for career advancement (40% as against 37%), and close to half of workers aged 50 plus (46%) feel their prospects are poor.

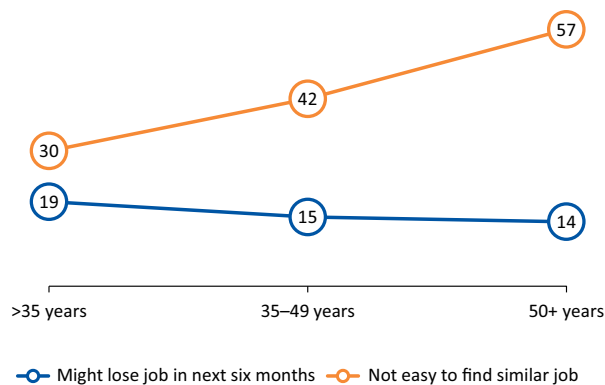
Financial services has the largest proportion of workers stating they have good career prospects (56%) while transport (33%) and agriculture (30%) have the smallest.

Job security

Job insecurity shows little change since 2010: some 16% of workers in 2015 felt they might lose their job in the next six months, the same proportion as in 2010.

While older workers report less job insecurity than younger workers, their confidence in their employability – their ability to find an equivalent job if they lost their current one – is far lower (Figure 15).

Figure 15: Job insecurity and perceived employability: percentage per age group



Source: Sixth EWCS

Skills and discretion

The skills and discretion index measures the cognitive skills required for the job, the skills developed in the job and the ability of workers to apply their skills and influence. This dimension of work has increased gradually over 10 years, from 62 in 2005 to 66 in 2015, a result of an increase in the cognitive dimensions of work, wider access to training, more latitude in decision-making and increased use of ICT.

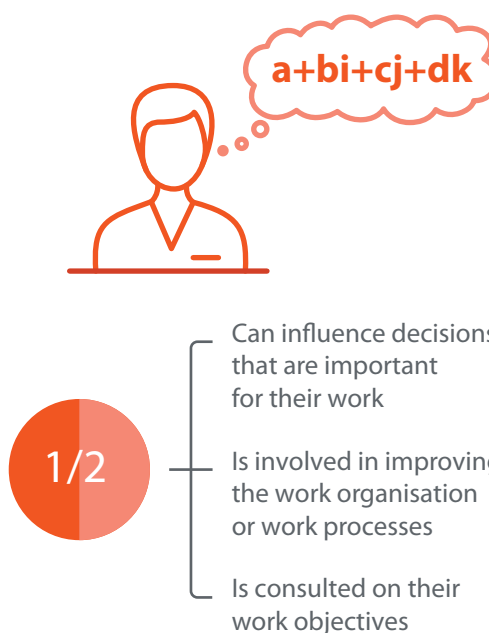
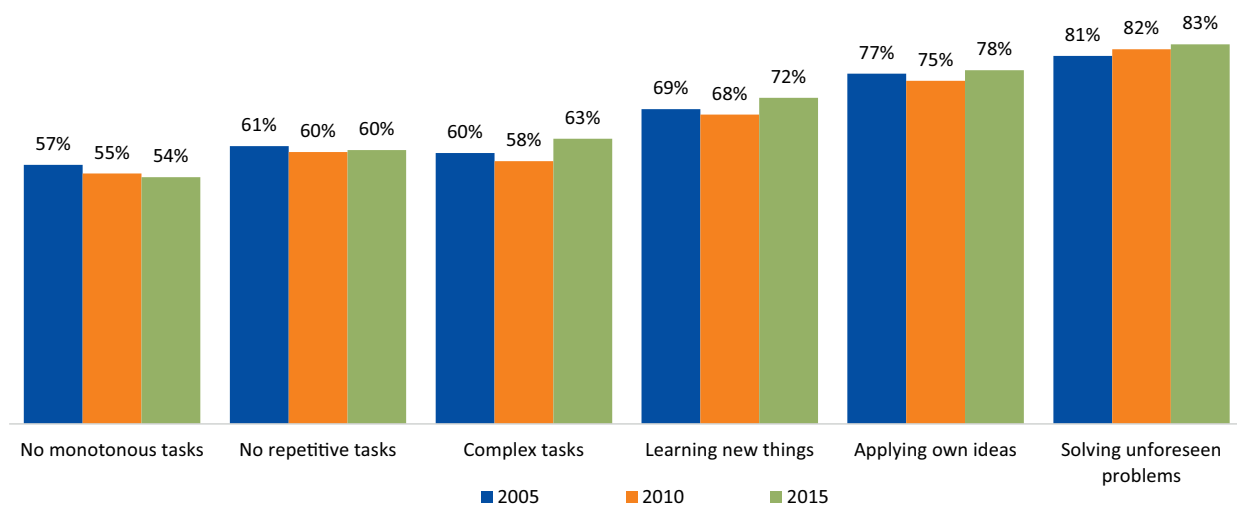


Figure 16: Percentage of workers performing selected types of tasks



Source: Sixth EWCS

Cognitive aspects of work

Work in the EU generally involves a high level of creativity and task variety: the majority of workers have jobs that involve solving unforeseen problems or applying their own ideas in their work. Many workers say that their job involves learning new things and carrying out complex tasks. However, many also do monotonous or repetitive tasks in the course of their jobs. All these indicators have changed little over time (Figure 16).

Training

Access to training is improving: the proportion of workers who received training paid for by their employer in the previous 12 months (or by themselves if self-employed) rose from 26% in 2005 to 38% in 2015. However, much of the training received is of short duration, lasting fewer than five working days: 14% reported one day of training or less, 30% reported two to three days of training, and 24% reported four to five days.

There are substantial inequalities in access to training: workers in less-skilled occupations, with lower levels of education or with non-standard contracts, whom training might lift out of low-paid and insecure work, have the least access to it. One in 10 employees reports not having been granted the training they requested.

Earnings

The earnings index captures workers' monthly earnings after tax; because it looks at the monthly earnings rather than the hourly wage, it is higher for workers working more hours.

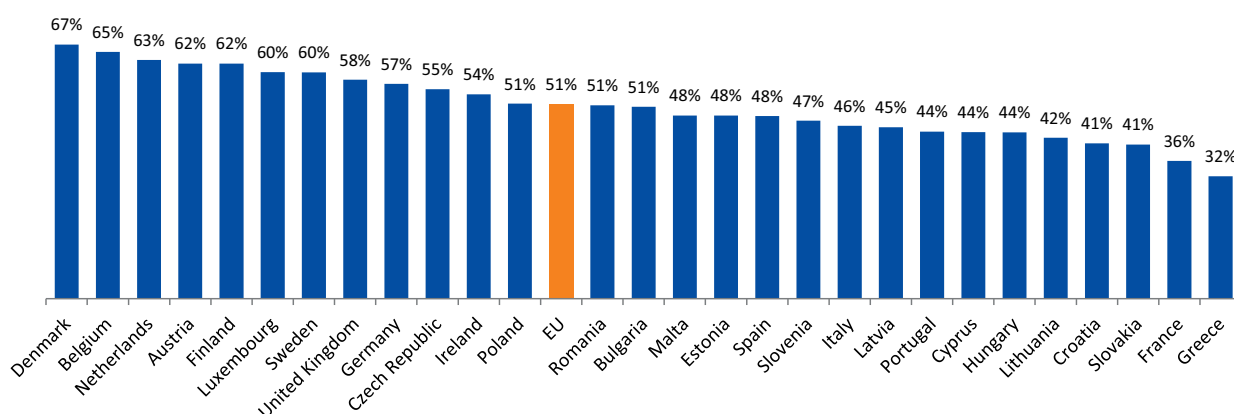
The distribution of earnings is skewed. Most workers are concentrated at the lower end of the income distribution, with very few in the upper end. In terms of sector, workers in financial services earn the most, followed by those in public administration and construction.

Workers in Croatia, Slovakia, France and Greece are the least likely in the EU to feel they get paid appropriately, given their efforts and achievements (Figure 17).



Feel they get paid appropriately

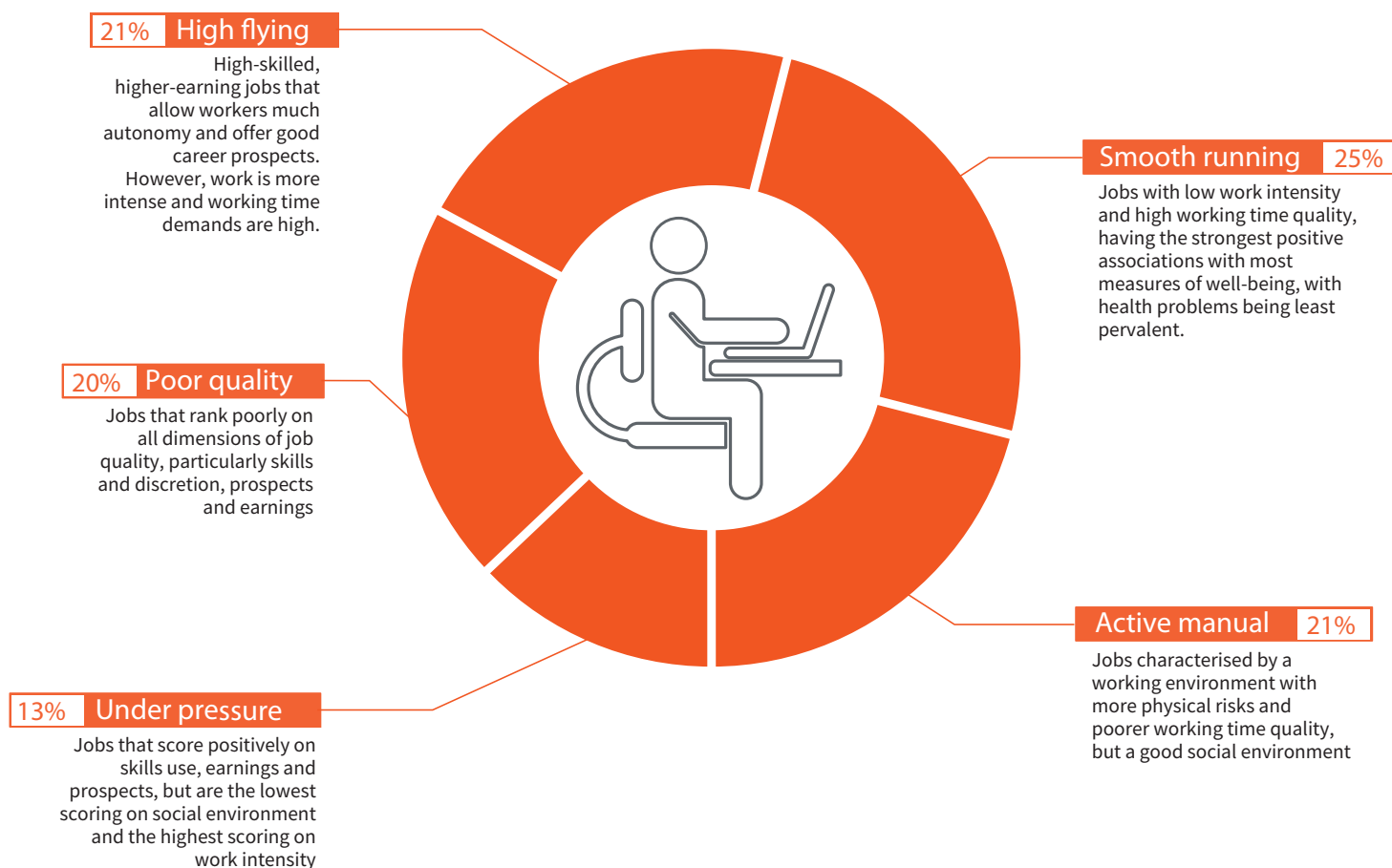
Figure 17: Percentage of workers who feel they are paid appropriately, by Member State



Source: Sixth EWCS

Mapping jobs to the dimensions of job quality

To examine how people's jobs map to these dimensions of job quality, workers with similar job quality features were clustered, an exercise that produced five job quality profiles, shown below.



This breakdown shows that working conditions in one-third of jobs – those classified as ‘poor quality’ and ‘under pressure’ – are a cause for serious concern. In the ‘poor quality’ cluster, pay is low and career prospects are poor, while training that would facilitate career mobility into better jobs is less likely to be offered. These jobs are more likely to exist in micro-firms (of 1–9 employees) and to be occupied by women and workers with low educational attainment. Further analysis showed that workers in this group have lower subjective well-being, are less satisfied with their working conditions, do not think they could do their job at an older age, are less engaged and are less able to make ends meet. ‘Under pressure’ jobs are also associated with poorer well-being, and while ability to make ends meet is much better than the poor quality cluster, these

workers find it exceptionally difficult to achieve work–life balance.

One key conclusion, therefore, of the sixth EWCS is that much progress is yet to be made in improving the working conditions of substantial groups of workers. This conclusion warrants the close attention of policymakers and social partners, as good working conditions are a precondition to raising employment participation and making work sustainable, critical objectives to enhance growth and respond to the demographic shifts under way in our societies.

Read more

Sixth European Working Conditions Survey – Overview report



Visiting Eurofound

Eurofound’s Deputy Director, Erika Mezger (second from left), welcomed the newly appointed Director of the Fundamental Rights Agency (FRA), Michael O’Flaherty (second from right), during a visit to Eurofound. Also pictured are Robert Anderson, Head of the Social Policies Unit, and Research Manager Isabella Biletta.

Eurofound has memoranda of understanding with FRA and four other EU Agencies.

Making work sustainable for all

Work must be made more sustainable to answer to the challenge of keeping people in work longer, a key element of strategies to deal with the consequences of demographic change. With people living longer and having fewer children, the workforce is shrinking while it supports an expanding dependent older population. Employment rates must increase, or governments will be faced with the unpalatable choice of reducing social spending or expanding taxation significantly to finance pensions and healthcare. Employment can be expanded if work is sustainable – meaning that that working and living conditions are such that they support people in engaging and remaining in work throughout an extended working life. Epidemiological studies have produced evidence to show that good working conditions are the foundation of sustainable work. But work must also adjust to workers' needs and abilities as these evolve over the course of a working life; what is feasible at age 35 may not seem so at age 60.

The EWCS captures workers' own perceptions of the sustainability of their job by asking respondents aged 55 and under whether they feel they could do their current job up to age 60. Some 73% answered 'yes'. Gender makes a difference: 74% of men and 71% of women answered in the affirmative. So too do contract type and occupation: 62% of employees with a fixed-term contract, 66% of service and sales workers, and 59% of workers in elementary occupations believe they could do their current job up to 60, well below the average.

Being able to do one's job until the age of 60 is associated with all the dimensions of the job quality indices, except for earnings. The physical environment has the strongest relationship with perceived capacity: the more that workers are exposed to physical risks – especially posture-related risks – the more likely it is that they will not envisage being able to do the same job at 60.

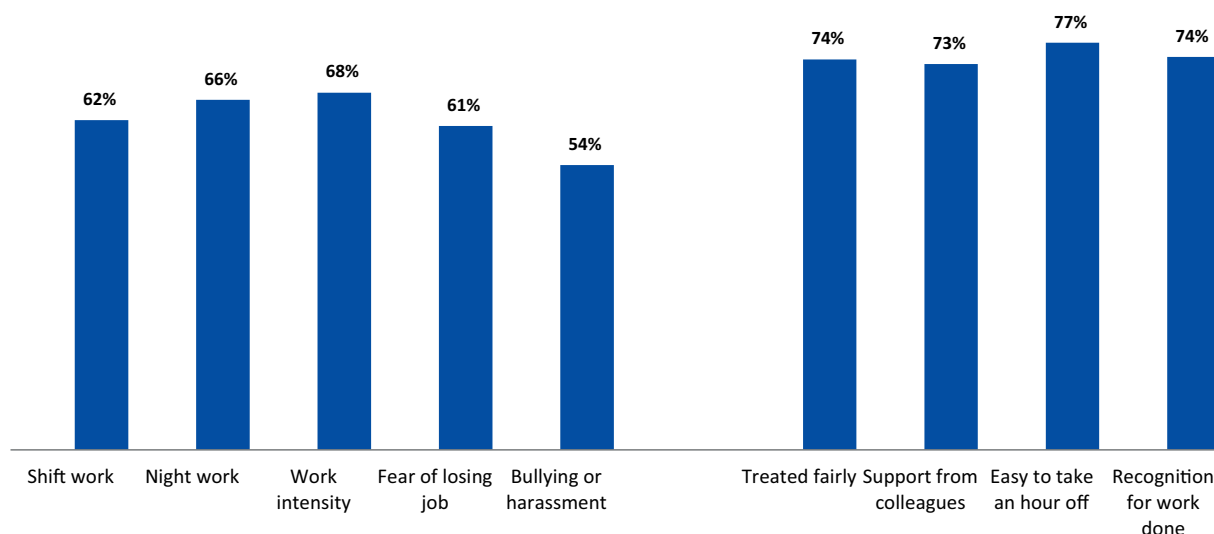
Workers are likely to be less optimistic regarding the sustainability of their job if they are exposed to any of the following adverse working conditions: work intensity, shift work, night work, fear of losing their job, unfair treatment, or bullying or harassment (Figure 18).

Conversely, workers are likely to be more positive about their job's sustainability if they report good conditions of work: being able to take an hour off work when needed, good support from colleagues at work, perception that the work they are doing is useful, and praise and recognition when they do a good job.

How to extend working lives

At present, much of the workforce does not wish to work into older age. When asked 'Until what age do you want to work?', just over half of EWCS respondents chose an age group under 65 years. Many national policies and company practices are increasingly geared towards averting early exits and encouraging workers to

Figure 18: Percentage of workers on average in the EU who feel able to do their job until age 60, according to the experience of selected working conditions



Source: Sixth EWCS

stay in work longer. Already governments are adopting less benign positions by increasing statutory pension ages, restricting the entitlement to a full pension and closing early retirement schemes. These measures address only one aspect of the issue, however. Poor health and care responsibilities may cause workers to exit early, so raising the threshold will not keep them in work longer. Some jobs are too physically or psychologically demanding to be sustained over an entire career. And close to half of people over 50 want to work fewer hours, according to the European Quality of Life Survey. A variety of approaches need to be marshalled, therefore, to address the different reasons why workers leave the workforce in their 50s and 60s.

Mid-career review

A basic requirement is that the job matches the abilities, needs and aspirations of the worker over the course of their career. Achieving this may involve workers acquiring new skills, changing tasks, changing work arrangements or transferring to other jobs as their working life evolves. Such adjustments should be planned ahead of time, before the point where their skills become inadequate, their health is damaged or their motivation is exhausted, when professional reorientation and enhancing one's employability are still feasible. This means time should be taken when a worker is at their peak to conduct a mid-career review that will give a systematic and objective in-depth assessment of their motivations, skills, capabilities and interests in order to plan the subsequent stages of their professional life.

This review need not involve the worker making a dramatic transition, but it should provide a feasible future career path. It should yield an individual development and training action plan that may involve,

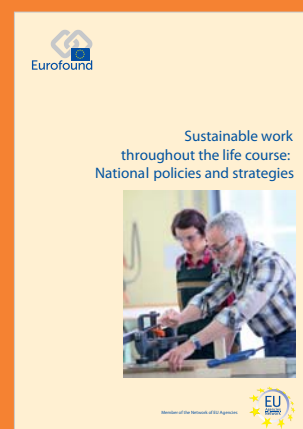
for example, further education and training, support to change jobs internally, more flexible work arrangements or organising intergenerational transfer of knowledge through mentoring and coaching initiatives.

Mid-career reviews are generally implemented by companies as part of age-management strategies, although the Flemish government ran a programme from 2005 to 2012 that operated independent of any workplaces. When conducted within a workplace, they have some limitations. The interests of the worker will not be the sole consideration – those of the employer will be taken account of, too; this will limit the options considered based on the needs of the employer and what opportunities they are willing to offer. For instance, while internal mobility might be an option, it is unlikely that consideration will be given to a job outside the company. In addition, workers may be disinclined to share their concerns about issues that may limit their ability to work, such as health problems. A law adopted in France in 2009 had the effect of entitling all workers to request a mid-career review from their employer, but few took up the option. Employee misgivings might be alleviated if the review were conducted by an external professional career counsellor who would bring a neutral perspective.

Mid-career reviews are not yet a standard component of human resource management strategy, although they could be a valuable tool that pays off in the long run – as much for companies as society, enabling management to make better use of its most important and scarce resource: human capital. In the years to come, an ageing workforce and tight labour markets may leave little room for manoeuvre other than retention and optimisation of those employees already in the company.

Workplace innovation – Sustainable work: Retaining Europe's ageing workforce and making work more sustainable throughout the life course

Eurofound, together with the European Economic and Social Committee (EESC) and Workage (an EU-funded project), held a conference on 29 September in Brussels on the theme of sustainable work. Participants explored new findings from Eurofound on sustainable work and from Workage's research in the UK, while drawing on the EESC's experience in the area. The event sought to explore the practical actions required to make work more sustainable throughout the life course and so engage and retain Europe's ageing workforce for longer.



Partial retirement

Another tool in the arsenal is to enable workers to reduce their working hours in the years leading up to statutory retirement age while ensuring a less-than-equivalent drop in income. This is what partial retirement schemes offer, compensating for the wage loss by enabling workers to receive a portion of their future pension or other benefits while they work part time. The aim is that the reduction in working hours is outweighed by the extension of working life.

Features of schemes

Over half of Member States have national or sector-level partial retirement schemes, although most schemes are relatively marginal. Many schemes set a minimum and a maximum reduction of working time. For instance, the reduction in the Spanish public scheme is between 25% and 50%, while in the Finnish, it is between 35% and 70%. The compensation is usually a fixed proportion of the wage loss: it covers 50% of the wage loss in Finland, for instance. Compensation may also be a fixed amount. In some schemes, partial pensions and working hours are 'decoupled', meaning that a partial pension can be drawn, facilitating, but not requiring, a reduction of working hours.

Partial success

Where evaluations of such schemes have been carried out, they have not produced unequivocal evidence of a positive impact on the aggregate length of working lives or on overall hours worked. It seems that most partial retirement schemes extend the working lives of some people, but not of others. In addition, the increase in hours arising from some participants extending their working lives has often been outweighed by the overall reduction in hours for all participants. A 2007 survey of Finnish partial retirees showed that 11% of them would have retired fully straight away had partial retirement not been available. A greater proportion (49%) would have continued working full time until the retirement age had the partial scheme not been available. However, among partial retirees with bad health, only 11% would have continued working full time until pension age had the scheme not been available to them.

Good design is crucial

The challenge is to design the scheme in such a way that it is only taken up by people whose working lives are extended by it; studies find that these are often people with health problems, disabilities, care responsibilities, or physically or mentally demanding jobs. The scheme should not attract people who would have continued working full time. For example, the Belgian national scheme, which has among the highest take-up numbers (88,000 in 2011), seems to extend working lives for some smaller subgroups of workers, but the evidence suggests that overall it enables people to shorten their working lives.

Even if partial retirement schemes have not definitively succeeded in lengthening working lives, this does not mean that they should be discontinued or ignored for future policy. Policymakers considering partial retirement schemes as a tool to extend working lives may wish to revise or redesign them, learning from past experiences across the EU. It is important to look beyond aggregate and average numbers to understand how such schemes have increased working lives for some groups of people and not for others. Overall, effectiveness depends on the detailed design of the measures, on how they are implemented, and on the context. Furthermore, partial retirement schemes may be a way to encourage people to work beyond the statutory retirement age, or be part of a package to compensate workers for discontinued early retirement schemes.

Policymaking on sustainable work

Europe as a whole is some distance from building the comprehensive policy infrastructures that would realise the goal of making work sustainable, although the concept has been woven into the policy discourse in EU Member States to varying degrees.

Public policies provide a framework for action at institutional, company and individual levels, addressing both the impact of work on the health and capacities of workers and the reintegration into work of workers with issues such as health conditions or time demands over the life course. These policies range across multiple fields, such as: legislation on minimum wages, health and safety, hiring and firing, and leave arrangements; incentives to employers targeting employee training and inclusion of vulnerable groups; the provision of employment support services; and support for childcare and other forms of care. For such a wide span of policy fields to work effectively towards one end, the concept must be mainstreamed in national policymaking.

Overlaps, contradictions and inefficiencies

A study by Eurofound examining the place of sustainable work in the policy agendas of 10 Member States found that the policies that have an impact on sustainability of work often function independently of each other, creating redundancies, contradictions and inefficiencies. This occurs especially in countries where the concept has gained less traction. For instance, new mothers in Lithuania receive 62 weeks maternity leave on full pay, one of the longest in the EU, but this is not supplemented by corresponding provisions to update their skills and competencies, which would facilitate their return to work.

Compromising trade-offs

Certain policies adopted in response to the economic crisis have undermined and even reversed progress on some fronts. Efforts to support job creation and to tackle unemployment have led to a weakening of employment protection, easing dismissal procedures. Greece, Lithuania and Spain have facilitated the use of fixed-term contracts and temporary agency work by employers. These non-standard contract types have a negative impact on pay and career progress, lead to greater job insecurity, and reduce employees' social welfare entitlements.

The public funds available to companies for investing in or adapting working conditions to workers' needs have been cut. There is also evidence of decreased resourcing of the agencies in charge of ensuring compliance with occupational health and safety regulations, leading to a fall in the number of inspectors and company visits. This is likely to be counterproductive in the long run, as it may result in poorer health among the workforce, reducing the pool of workers in the labour market, decreasing levels of employment and adding more pressure to state budgets in the future.

Sustainability-proofing

Eurofound's study proposes the 'sustainability-proofing' of policies: new policy measures in a particular field and the overall policy body would be accompanied by impact assessments of their effects on the sustainability of work for men and women – not just in the short term but over the life course. This would at the very least highlight where policy is likely to fall short in terms of sustainable work and alert policymakers to the need to take action.

Read more

Sixth European Working Conditions Survey – Overview report

Extending working lives through flexible retirement schemes: Partial retirement

Changing places: Mid-career review and internal mobility

Sustainable work throughout the life course: National policies and strategies



Visiting Eurofound

Confederal Secretary of the European Trade Union Confederation (ETUC) Montserrat Mir (left) visited Eurofound on 2 March. Pictured with her are Eurofound Director Juan Menéndez-Valdés, Senior Programme Manager Agnès Parent-Thirion, Directorate Coordinator Barbara Gerstenberger, Research Manager Massimiliano Mascherini and Events Coordinator Cristina Arigho.

Social partners in the EU: Role and representativeness

The European Commission launched a ‘New start for social dialogue’ in 2015 with the aim of putting social dialogue back in the centre of EU employment and social policymaking. Following on from that, in June 2016 the Commission, the Council and the EU-level social partners issued a joint statement setting out the actions that the signatories would undertake in that endeavour.

The joint statement reiterated the need for the meaningful involvement of the national-level social partners in the European Semester (the annual cycle of economic policy coordination and budgetary surveillance of the Member States). This is seen as necessary in order to ensure that key structural reforms to labour markets across the EU, especially those relating to employment protection and wage-setting mechanisms, are understood and supported by the two sides of industry.

Experience of the European Semester

The input of the social partners into the European Semester has expanded since its launch in 2011, but a study conducted by Eurofound in 2016 highlighted that there is some way to go. The depth of participation of the social partners varies enormously depending on country and – in interviews or in response to questionnaires – many expressed a high level of dissatisfaction with the limited impact that their contributions appear to make. (Note that Greece, Ireland and Portugal were not included in this analysis as they were exempt from the process while they were programme countries under the so-called Troika Memoranda of Understanding.)

The EU institutions expect the social partners to be formally involved in the development of the National Reform Programmes (NRPs), a key plank of the European Semester. Each national government drafts and adopts an annual NRP setting out a comprehensive strategy to implement employment and economic policies in line with Commission guidelines. The social partners may be involved at other junctures of the Semester too – for example, the presentation of the draft country-specific recommendations (CSRs), prepared by the Commission to provide tailor-made policy advice to Member States on how to foster growth and employment while maintaining sound public finances.

National Reform Programmes

Over the period 2011–2014, the national social partners in the majority of Member States were involved to some

extent in drafting and implementing the NRPs. Only in Croatia, Hungary and Romania did they have no role, although the Croatian social partners were consulted on various documents and legislation that form part of the NRP, such as the implementation plan for the Youth Guarantee.

Frequency of consultation

But the involvement of the social partners in developing the NRP is not yet fully institutionalised in all Member States in terms of the frequency and regularity of information and consultation and the time allotted to it. In several, their involvement has been irregular or ad hoc (Table 6). The participation of the social partners in Italy has been subject to political will, with the result that in some years they were not involved. In the UK and, to a lesser extent, Spain, ad hoc meetings have been held each year, but these were essentially information sessions with no real consultation. The situation is nuanced, however. In Finland, for example, while the social partners’ involvement in development of the NRP may be unsystematic, they play a prominent role in the economic, employment and social policy arena, which is the basis for the NRP. Therefore, the general view among the Finnish social partners is that they are being consulted on a regular basis on issues that relate to the NRP.

Table 6: Frequency of consultation with the social partners on the NRP, 2011–2014

Regular and predictable	Irregular or ad hoc
Austria	Cyprus
Belgium	Czech Republic
Bulgaria	Finland
Denmark	Italy
Germany	Luxembourg
Estonia	Spain
France	UK
Lithuania	
Latvia	
Malta	
Netherlands	
Poland	
Slovakia	
Sweden (since 2013)	

Time allotted

The timeframe of the European Semester cycle is very short: key policy documents in several formats are drafted, discussed at various levels, reviewed by EU leaders and adopted over just six months. Countries vary substantially regarding the amount of time given

Table 7: Perceptions of sufficiency of time allotted and number of meetings, 2011–2014

Enough time	Insufficient time	Only one meeting	More than one meeting
Austria	Bulgaria	Bulgaria	Austria
Belgium	Germany (TU only)	Germany	Belgium
Cyprus	France	Finland	Cyprus
Czech Republic	Italy	France	Czech Republic
Denmark	Latvia	Luxembourg	Denmark
Germany (EO only)	Luxembourg	Latvia	Estonia
Estonia	Slovenia	Malta	Italy
Finland	Spain	Netherlands	Lithuania
Lithuania		Slovenia	Poland
Malta		Spain	Sweden
Netherlands		UK	Slovakia
Poland			
Sweden			
Slovakia			
UK			

Note: EO (employer organisations) and TU (trade unions) indicate where these were the only social partners giving this view.

by their governments for social partner input (Table 7). In some Member States, only one meeting of half a day or less was held, but in others consultation processes lasting up to a month took place. The trade unions in Bulgaria and Germany and the social partners in France, Italy, Latvia, Luxembourg, Slovenia and Spain feel that insufficient time is allocated to information and consultation, which prevents them from participating fully in the Semester.

Impact

In just five countries do the social partners feel that their views have had a significant impact on the NRP: Belgium, Finland, Malta, the Netherlands and Sweden (Table 8). Social partners from 13 Member States report having a limited or very limited influence. This limited influence is expressed only by employer organisations in Cyprus, Germany and Spain, while the trade unions claim to have no influence at all. In other countries – Austria is an example – the social partners comment that their views are taken into consideration but only in

relation to some topics, hence having a limited impact. It is difficult, however, to separate the involvement of social partners in the Semester from other processes of national social dialogue. Thus, responses from Finland, the Netherlands and Malta emphasise that while the social partners have a strong influence on social policy measures in general, their actual participation in drawing up the NRP documents is relatively low.

Country-specific recommendations

The social partners do not have a direct input into developing the CSRs, but in many of the final CSRs, the European Council requests that national governments consult the social partners when implementing the reforms in fields such as wage-setting. According to the research, governments and national authorities involved the social partners in the definition or implementation of the CSR in only 10 Member States (Belgium, Bulgaria, the Czech Republic, Finland, France,

Table 8: Perceptions of influence on NRP, 2011–2014

Significant	Limited	Very limited	No influence
Belgium	Austria	Spain (EO only)	Bulgaria
Finland	Cyprus (EO only)	Luxembourg	Cyprus (TU only)
Malta	Czech Republic	Slovenia	Denmark
Netherlands	Germany (EO only)		Germany (TU only)
Sweden	Estonia		Spain (TU only)
	France		UK
	Italy		
	Lithuania		
	Latvia		
	Poland		

Note: EO (employer organisations) and TU (trade unions) indicate where these were the only social partners giving this view.

Luxembourg, Malta, the Netherlands, Slovenia and Sweden). Again, however, this is not an adequate summary of the situation. While some countries may lack a formal consultation in the European Semester process, their well-established tradition of social dialogue at national level ensures that their participation in most of the important policymaking related to social and employment matters; this is the case, for instance, with Austria and Denmark. On the other hand, other Member States that were requested to launch a consultation process with their national social partners did not do so – Spain and Italy being cases in point.

Social partner perspectives

Trade unions more often than employer organisations are dissatisfied with the European Semester. Most trade unions criticise the policy content of the process, especially what they perceive to be an unbalanced agenda, one that focuses on promoting restraint in government spending rather than on achieving other social policy goals of the Europe 2020 strategy, such as reducing poverty and promoting social cohesion. The employer organisations, in contrast, tend for the most part to agree with the content of the recommendations.

The lack of trade union support may be a factor behind the low level of involvement of labour in the design and implementation of CSRs at national level. The joint declaration of 2016 may provide an impetus to a renewed commitment by all parties to fuller participation of the social partners, trade unions in particular, in the Semester process. Member States, for their part, could involve the social partners more effectively and transparently in the NRPs, with a view to increasing their impact on the content; improving the level of institutionalisation of the social partners' participation would aid this endeavour, as would setting up specific social dialogue structures to involve the social partners in the process where these do not already exist. National authorities along with the Commission could also consider enhancing social partner involvement in the implementation of the CSRs and monitor whether suggestions to implement certain recommendations in 'consultation with the social partners' were followed.

In an update of this study, looking at the 2015–2016 period and published in 2017, the social partners in some Member States reported improvements in different aspects of their involvement in the process, while some others expressed concern that it had deteriorated in the 2016 cycle.

Representativeness of the social partners

The representativeness of social partners provides legitimacy for their various roles in industrial relations, whether in social dialogue, collective bargaining, or involvement in governmental policymaking and policy implementation. Eurofound in 2016 conducted a study to discover how the concept of representativeness is understood in the Member States, using information submitted by each of its national correspondents. What was patently clear from these submissions was how representativeness has very different meanings across the EU.

Table 9: Relative importance of mutual recognition and legal conformity according to Member State

Mutual recognition is more important for representativeness than conformity to legal criteria.	Austria Cyprus Denmark Finland Italy Netherlands Portugal Spain Sweden UK
Mutual recognition and conformity to legal criteria have a similar level of importance for representativeness.	Belgium Croatia Estonia Greece Hungary Ireland Latvia Lithuania Luxembourg Malta Slovenia
Conformity to legal criteria has greater importance for representativeness than mutual recognition.	Bulgaria Czech Republic France Germany Poland Romania Slovakia

Read more

Role of the social partners in the European Semester
Involvement of the social partners in the European Semester: 2016 update

Most EU Member States have some kind of legal framework shaping how representativeness is granted to or achieved by social partner organisations. Legislation can impose thresholds in terms of membership or organisational density or as a minimum outcome of elections. Or it can set the conditions to allow the social partners to engage in collective bargaining or to extend the resulting agreements to make them generally binding. However, the role legislation plays in national concepts of representativeness differs vastly between Member States.

Table 9 provides a breakdown by Member State, showing how in some countries, legislation is firmly the basis of representativeness, in others mutual recognition involving self-regulation is far more important, and in a third group, representativeness involves complex combinations of both.

While representativeness is a criterion used by the European Commission to identify the representatives of management and labour that it must consult on legislative proposals on social policy, it is difficult to propose any single, all-embracing European definition of social partners' representativeness at national level, given the duality of the concept and the complexity of intervening arrangements. If a definition is developed, it will have to encompass the breadth of arrangements, from self-regulation to state regulation, to enable the expression of complex national histories, and to ensure that trade unions and employer organisations may be rightly involved in defending the interests of workers and management.

Read more

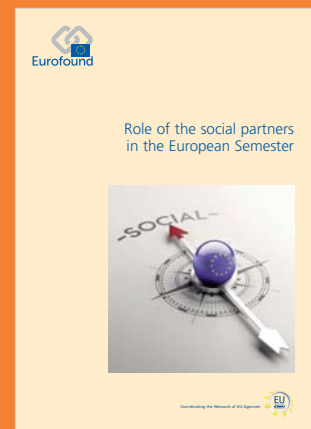
The concept of representativeness at national, international and European level

Social Partners lunch debate

The European Semester – Towards a stronger involvement of social partners?

On 16 February, Eurofound held a lunchtime debate with the EU social partners to exchange views on the role national social partners play in the employment and social policy aspects of the European Semester. The discussion was based mainly on the report *The role of social partners in the European Semester*, which analyses the involvement of peak social partners in the European Semester at EU and national levels.

An update to this study was presented to an EMCO meeting on 24 October and will be followed up in the coming years.



Shifting employment relationships: Challenges and opportunities

A UK employment tribunal created some commotion in October 2016 by ruling that Uber, the ride-hailing company, had wrongly classified its drivers as independent contractors, when the level of control exercised by Uber over them indicated they were employees. By treating its drivers as contractors, Uber has been able to avoid all the responsibilities of an employer, such as the health and safety of its drivers, as well as making considerable savings on labour costs.

The UK case was a forerunner to a separate case that got under way in the European Court of Justice in November 2016. Depending on the outcome of that case, the company may have to comply with the labour law and regulations of the Member States in which it operates, and how it classifies its drivers will be decided by national legislation.

Erosion or regeneration?

The Uber case is pertinent to Eurofound's activities on a number of fronts. First, it highlights the dilemmas posed by the ever-expanding digital economy and the disruptive effect it can have on traditional employment relationships. Uber is a variation of the crowd employment platforms discussed in detail in the Eurofound report *New forms of employment*: these are online channels that mediate between clients wishing to contract out work and large pools of virtual workers competing to do that work. Working conditions are often poor – low pay, no job security, no paid leave, no training and no accumulation of social welfare

contributions – but they offer opportunities to people for whom traditional forms of employment are inaccessible or unsuitable.

These types of digitally mediated business models are still very marginal in Europe, but they may be a foretaste of things to come. Eurofound's Foundation Seminar Series (FSS) in 2016, which examined how digitalisation is affecting the world of work, discussed the many questions surrounding them: What sort of rights do workers have when they are hired on-demand through a digital marketplace for a short-term engagement? What is the quality of work under this new paradigm? To what extent is this type of work a blueprint for the future?

The EU and national governments are conflicted over how to respond. On the one hand, they do not wish to miss out on the potential of the new digitally driven business models to create jobs and growth; at the same time, they must defend the employment rights and working conditions of workers, a cornerstone of the EU's social model.

Bogus self-employment

A related issue of interest to Eurofound foregrounded by the Uber case is that of bogus self-employment. It is a high-profile instance (if the Court of Justice so determines) of a pervasive and perennial practice in traditional forms of employment: the apparent contracting of workers as self-employed independent

Foundation Seminar Series 2016

The impact of digitalisation on work: Building up national agendas for better implementation of digital changes

Teams from 15 Member States came together twice in 2016 at the FSS to discuss the digitalisation of work and its implications for work organisation, skills, employment and working conditions. All the participating countries have national strategies designed to support the digital transformation and to reap the benefits of the new digital era. But teams also highlighted the challenges that digitalisation presents, such as the urgent need to develop the skills to meet the demands of a digital economy and the impact on working conditions.

The FSS is an annual exercise organised by Eurofound, bringing together representatives of unions, employer organisations and governments from across Member States to exchange knowledge, experiences and practices on prominent issues related to employment, quality of work and working conditions.



contractors when the actual employment relationship is one of employer and employee. Self-employment will be fraudulent, for instance, if formally self-employed workers have to strictly follow the directions of an employer and have no autonomy as regards the time, place and ways they carry out their duties.

The distinction between employee and self-employed has important ramifications. Classifying a relationship as self-employment means that employment protection legislation, working time regulations, and health and safety regulations do not apply. Neither do workers receive paid leave or the minimum wage or accumulate welfare entitlements.

Eurofound investigated this and other forms of fraudulent use of employment contracts and found that 23 Member States reported bogus self-employment to be a significant problem. The practice was more common in competitive markets with narrow profit margins, such as construction, transport, and media, arts and entertainment. However, examining the most recent statistics on change in self-employment (see Figure 4 in Section 1), there is very little evidence that the emergence of digital platforms has had an impact on the level of self-employment. These indicate that self-employment has grown overall only in the middle- and higher-paying job quintiles, which are not the types of jobs being created by these online entities.

Combating the problem

The authorities in Member States use various measures to crack down on this violation of employment law. Use of sanctions against offending employers is the most common means of deterrence and, along with fines, one of the main sanctions is requiring the employer to reclassify the fraudulent form of contracting work into

the proper contractual relationship. In some countries, workers have to take legal action to obtain such reclassification, but such court cases are few due to the length of time and costs as well as the likely awkward relationship between the employer and future employee.

Eliminating loopholes and ambiguities in legislation also helps to ensure that employment relationships are drawn up in accordance with the law. However, the application of stricter rules may cause fraudulent practices to shift to other, less regulated forms of contracting work if the legislative intervention is successful. It could also impede the legitimate contracting of work.

Existing laws cannot be readily applied to the new employment relationships created by business models based on digital intermediation. The problems presented by Uber reveal the challenges of addressing the development of forms of contracting work that do not fit into the traditional categories of subordinated and independent work. As many rights and obligations are based on these categories – social protection rights (such as working time and minimum wages), contributions to taxes and employee representation – it is critical to clarify how work in the digital economy will align with the more established labour market models.

Read more

[Exploring the fraudulent contracting of work in the European Union](#)

[Foundation Seminar Series 2016: The impact of digitalisation on work](#)

[New forms of employment](#)

[Digitalisation and working life: Lessons from the Uber cases around Europe](#)

Input to policymaking on EU labour markets

Some highlights of Eurofound's contributions to policy-related events during 2016 are described below.

Dutch EU Presidency conference



On 8 February, David Foden, Head of Working Conditions and Industrial Relations at Eurofound, addressed the Dutch EU Presidency conference *Promoting decent work* on the theme of 'Mobility and posting of workers: A right and achievement'. The conference provided a platform for officials of labour inspectorates, policymakers and experts from across the EU to discuss practical issues relating to the protection of posted workers as well as cross-border aspects of undeclared work.

Informal EPSCO under the Dutch EU Presidency

Eurofound, as part of its support and collaboration with the EU Presidencies, provided a background note on the issues surrounding undeclared work for the informal EPSCO meeting held in Amsterdam in April under the Dutch EU Presidency. Director Juan Menéndez-Valdés also contributed to the session, drawing on the Agency's research in this area.



Launch of the European Platform to tackle undeclared work



The European Platform to tackle undeclared work was launched on 27 May in Brussels. The new Platform, set up by the European Commission together with Member States and stakeholders, aims to enhance cooperation in tackling undeclared work. Eurofound has observer status in the Platform. The Agency can support the Platform through its database on undeclared work and with its recent research on the regulation of labour market intermediaries to prevent trafficking of labour.

MEP working lunch: Preventing trafficking of labour

New data on the highly topical issue of preventing trafficking of labour was presented to MEPs with the launch of a new report from Eurofound, *Regulation of labour market intermediaries and the role of social partners in preventing trafficking of labour*. The report seeks to contribute to the development of a best practice guide for public authorities on regulating labour market intermediaries so as to prevent trafficking and exploitation.







Quality of life

Eurofound's work on quality of life during this period of restraint in public budgets has highlighted the negative effects of reduced investment in public services on the quality of life of disadvantaged groups in society. While it is difficult for politicians and authorities to take account of the long term when coping with current financial pressures, research has repeatedly shown that timely investment in addressing social needs averts greatly amplified costs – both social and economic – down the line.

In 2016, the Agency zeroed in on the benefit of tackling poor housing to avert the direct and indirect health costs associated with substandard accommodation. It also drew attention to the urgent need to lower the hurdles preventing asylum-seekers and refugees from working, to realise the pay-off in terms of state finances and social cohesion. And research on NEETs continued, highlighting the harder-to-reach subgroups within that catch-all youth category who are at high risk of lifelong social exclusion and need more concerted attention from policymakers.

The high price of substandard housing

Poor-quality housing has a direct impact on health. Problems such as mould, dampness and cold, and structural damage may increase the probability of asthma, rheumatism, allergies, lung diseases or even heart attack. There are also the indirect impacts such as days off work due to illness and the consequent lost earnings. Cuts in public spending and falling household incomes in recent years have made it harder to maintain and improve the standard of housing for many households. Yet, as with any form of social disadvantage, poor housing entails social and economic costs.

There is growing evidence that where housing defects have been tackled through repairs, a reduction of risk follows. The European Parliament in its 2013 resolution ‘Social housing in the EU’ requested that Eurofound carry out a study on the cost of failing to tackle inadequate housing.

Housing standards in the EU

The European Quality of Life Survey (EQLS) collects data on housing standards across the Member States. These data were used to assess the extent of inadequate housing and then to calculate the healthcare cost, in terms of direct and indirect health impacts, of substandard housing in Europe. The first step was to

establish what counts as poor-quality housing and its prevalence across the region.

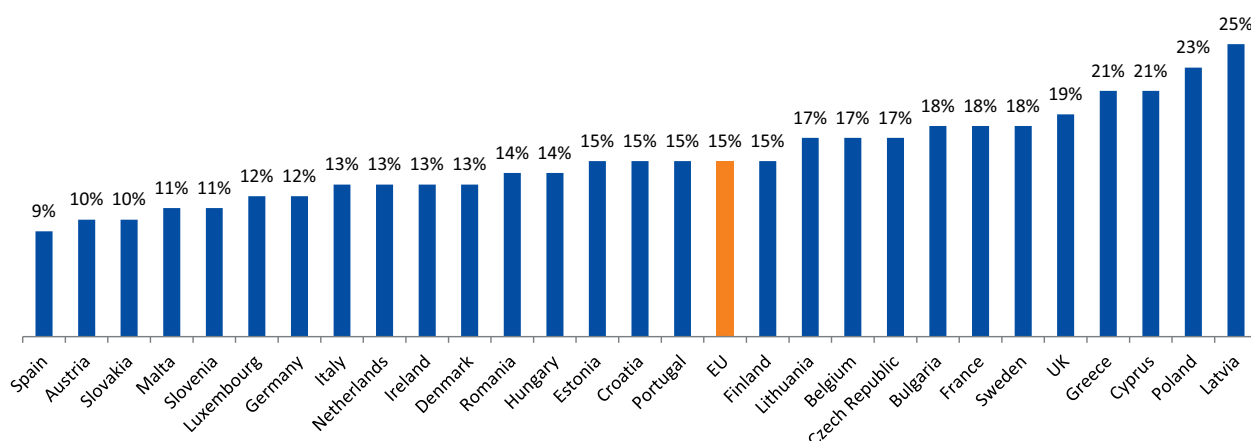
The third EQLS in 2011 measured several aspects of housing deprivation, six of which were used in the analysis, grouped into three domains:

- basic facilities: lack of indoor flushing toilet and lack of bath or shower
- structure: damp or leaks, rot, and inability to keep the home adequately warm
- lack of space (a proxy for overcrowding)

Some of these shortcomings are more prevalent than others. Cramped conditions are the most widespread deficiency, with 15% of EU residents on average reporting lack of space (Figure 19). It is most common in Latvia, where 25% report overcrowding problems, and least common in Spain.

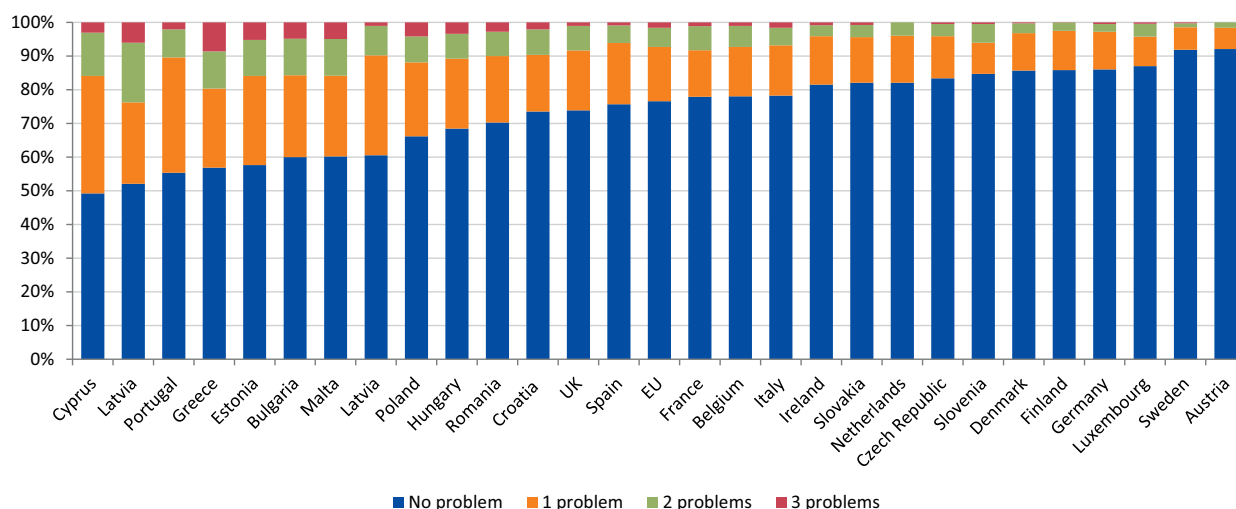
On average, 12% of EU residents report damp or leaks in walls and roofs, 9% live in accommodation with rot in windows, doors or floors, and 14% cannot afford to keep their home warm. Such structural problems are most prevalent in Cyprus, where 51% of dwellings have some structural deficiency (Figure 20). They are least common in Austria and Sweden, where fewer than 10% of residents reported problems.

Figure 19: Percentage of people reporting lack of space, EU Member States



Source: EQLS 2011

Figure 20: Percentage of people reporting different structural problems with housing, EU Member States



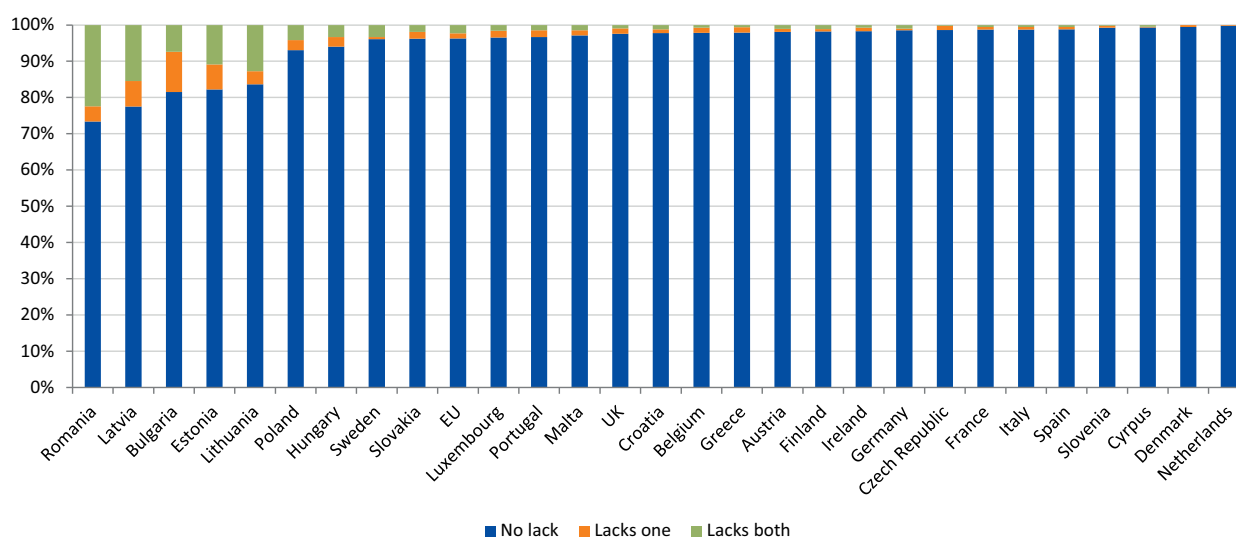
Note: Problems are damp or leaks, rot, and inability to keep the house adequately warm.
Source: EQLS 2011

Just 3% of the EU population lives without basic sanitary facilities, although the EU average masks big differences between countries. In Romania, 22% of the population lack both an indoor toilet and a bath or shower (Figure 21). This problem is also encountered in Bulgaria and the Baltic states. Having poor basic facilities is most strongly linked to low income. Close to half of the people in the lowest income quartile in Romania (47%) and Bulgaria (44%) lack an indoor flushing toilet.

Serious housing inadequacy

If serious housing inadequacy is defined as having three or more of these six housing-related problems, about 10% of the housing stock in the EU falls into this category. The highest rates of inadequate dwellings are found in Latvia (30%), Estonia (21%) and Romania (20%), with the lowest in Nordic countries, Austria, Slovenia, Luxembourg and the Netherlands.

Figure 21: Percentage of people reporting lack of indoor toilet and lack of bath or shower, EU Member States



Source: EQLS 2011

Repairing these types of housing deficiencies across the EU would cost around €295 billion at 2011 prices. By far the greatest economic and social benefits would come from making heating and insulation improvements, which are known to prevent long-term respiratory and circulatory illnesses and reduce winter deaths. By contrast, the provision of sanitary amenities, while welcome and necessary, does not have such an impact on long-term health problems and their consequences.

Costing the health impact

This investment in repairing the housing stock, while huge, would be balanced by savings in health costs of €194 billion, according to estimates by Eurofound. This means that, in the EU as a whole, for every €3 invested to reduce housing hazards, the return would be €2 saved in health costs within the year. In addition, the positive effects of upgrading the housing stock are long-lasting, so the savings would accumulate over the long term. On average, the investment reaches breakeven point after 1.5 years. This is, however, very different across countries, with a payback period of over 23 years in Sweden to under a year in Cyprus, Portugal, Malta, Spain, Greece and Hungary.

Tackling the problem

Countries vary widely in regulating housing standards and in their application of incentives and sanctions aimed at improving housing. Unsurprisingly, therefore, substandard housing exists in the EU; however, there is considerable room for policy development to address housing quality – not least by learning from successful practices of addressing housing inadequacies. The cost estimation model used by Eurofound could be applied and adjusted by national and regional governments to ensure that the cost of inaction is considered in policy planning.

In addition, initiatives should take account of the broader social situation of residents. Eurofound found evidence that combining technical improvements with ‘soft’ interventions such as employment and training advice for residents can increase their buy-in to programmes and undo some of the social or economic disadvantages caused by their housing situation.

Read more

Inadequate housing in Europe: Costs and consequences



Visiting Eurofound

Senior officials from the Embassy of the Netherlands in Ireland visited Eurofound on 4 May. Pictured from left are Eurofound Research Managers, Isabella Biletta and Daphne Nathalie Ahrendt, Senior Economic Officer, Wemmechien Hofman, Deputy Head of Mission, Thom Klück, Head of Eurofound's Information and Communication Unit, Mary McCaughey, and Head of the Working Conditions and Industrial Relations Unit, David Foden.

Who are the NEETs?

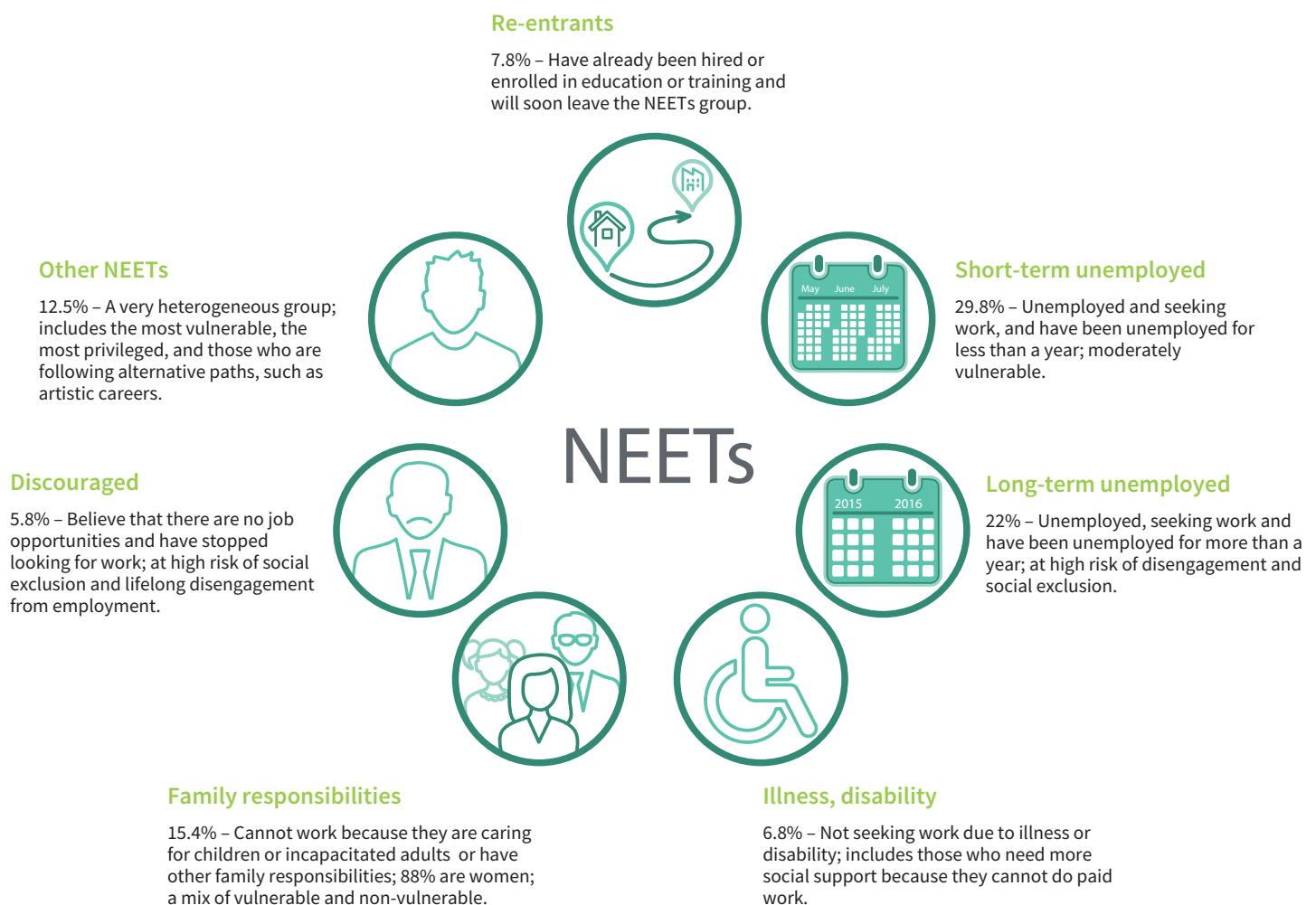
The concept of NEET – young people not in employment, education or training – has been useful in enabling policymakers to better address the disjunctions between young people and the labour market. While the traditional labour market dichotomy of employed or unemployed is valid, it fails to capture modern school-to-work transitions and the legions of young people who are outside the labour market and not accumulating human capital and hence who may be vulnerable to a range of social ills. In 2015, some 4.6 million young people aged 15–24 were unemployed. This is just a subgroup of the broader category of NEET, which comprises 6.6 million young people, meaning that had the concept of NEET not found currency, 2 million young people would have attracted limited attention from a policy perspective. NEET has put previously marginalised populations such as young mothers, young people with disabilities and young labour market drop-outs back into the policy debate about youth unemployment.

NEETs is a broad category encompassing a heterogeneous population. Disentangling the subgroups within it is essential for a better understanding of their different characteristics and needs, and for tailoring effective policies to reintegrate them into the labour market or education.

Identifying the subgroups also aids in identifying who is most vulnerable to poverty and social exclusion. While individuals in the NEET category often experience multiple disadvantages, including a low level of education, poverty and difficult family backgrounds, the population of NEETs is made up of both vulnerable and non-vulnerable young people who have in common the fact that they are not accumulating human capital through formal channels.

Varieties of NEET

Eurofound has identified seven groups within the category of NEET (aged 15–24) and using EU-LFS data has calculated the size of each. These groups are described below.



Taken together, the figures for discouraged workers, the short- and long-term unemployed, and re-entrants suggest that around 60% belong to the NEETs group because of labour market factors. The remaining 40% are NEET for reasons more closely related to their social or personal circumstances, such as family responsibilities, illness or disability. This breakdown also highlights that a least one-third of NEETs are at risk of further disengagement, taking account of just the long-term unemployed and discouraged workers. However, this estimate is at the low end because the degree of vulnerability of young people in the other categories is not known.

In addition, the classification presented here reflects the composition of NEETs at European level – individual Member States differ not just in terms of size of the NEET population but also in terms of its composition. For example, in Sweden, long-term unemployed and discouraged workers account for just 10% of NEETs, while in Italy they represent 42%.

Under the Youth Guarantee, the EU's ambitious scheme for tackling youth unemployment, since January 2014, around 9 million young people have secured an offer of employment, education or training. It has been most effective in reaching and reintegrating young people who are job-ready; other groups within the NEET category have been harder to reach. The European Commission, reporting on the progress of the Youth Guarantee in autumn 2016, recognised this: 'young people in the most vulnerable situations, including the low-skilled and non-registered NEETs, are under-represented among beneficiaries'. It also acknowledged that broader educational interventions and more intensified support is necessary to address their needs.

Read more

Exploring the diversity of NEETs

European Commission Communication – The Youth Guarantee and Youth Employment Initiative three years on, COM(2016) 646 final.



Asylum-seekers – Removing the barriers to work

The tide of asylum-seekers entering Europe was stemmed in 2016 following the controversial deal struck by the EU with Turkey in March of that year. There were, nevertheless, 1.2 million asylum applications pending at the end of September. Table 10 shows the figures from May 2016 for the seven main EU destination countries and the two countries at the migration frontline. With over half a million applications, Germany had the most, but the per capita number of applications was highest in Sweden.

Table 10: Number of pending asylum applications in most-affected EU Member States, May 2016

Destination countries	Austria	84,675
	Belgium	31,060
	Denmark	11,425
	Finland	22,045
	Germany	528,680
	Netherlands	19,450
	Sweden	137,450
Frontline countries	Greece	28,715*
	Italy	63,930

Note: * Number in April

Source: Eurostat

The high numbers looking for refuge has overwhelmed asylum-processing systems, increasing the duration of the procedure in nearly all these countries: typically, it is around six months but can be considerably longer. If they are granted asylum, or ‘international protection’ as it is officially termed, asylum-seekers are recognised as refugees. One of the benefits of gaining refugee status is that they have the same rights as nationals to work and to receive employment support.

For asylum-seekers, however, access to the labour market is more complicated, although given the length of the asylum procedure, it makes sense to enable these people to work. From a social perspective, work is an important catalyst for integrating new arrivals into the host society, which in turn helps promote social cohesion. From an economic perspective, it would ease the financial burden on social protection systems and contribute to state finances, while making use of the skills that the newcomers bring.

Not all EU countries share the view at policy level that the labour market integration of asylum-seekers is important, however. For those struggling with high unemployment levels, adding asylum-seekers to the numbers seeking work increases the pressure on the state. So while the opinion of policymakers in Denmark, for instance, is that asylum seekers should start contributing to society as soon as possible, Ireland and Lithuania do not allow asylum-seekers any access at all to the labour market.

Waiting periods

For the 26 Member States that do allow access, a waiting period usually applies, except in Greece and Sweden, which allow immediate access. Some countries, recognising the detrimental effect of a prolonged asylum procedure, cut the waiting period for access to the labour market in 2016. It now varies from 1 month in Portugal and 2 months in Italy to 12 months in Malta and the UK.

The waiting period is just one hurdle. Various national regulations can pose further obstacles after the waiting period has passed. In some countries, for instance, a labour market test is applied, meaning that other groups are prioritised in the labour market, and an asylum-seeker can be offered a specific job only if no suitably qualified person from those groups is available to fill the vacancy. In France, on receiving a job offer, the asylum-seeker must apply to the regional authority for a work permit, which can be denied on the grounds of the ‘unfavourable work situation in the region’.

Proximity of accommodation

The proximity of their accommodation to places of work is another issue. When asylum-seekers first arrive, they are initially accommodated in reception centres; they may then be housed in longer-term accommodation while their application for international protection is being processed. Whether their accommodation is distant from employment centres is generally not taken into account. This is understandable: pressure on accommodation means that it is allotted according to availability. Some countries have a policy of dispersing asylum-seekers around the country, which may distance many from centres where job opportunities are available.

Table 11: Services offered to asylum-seekers in preparation for labour market access

Service/measure		Countries
Language training		Austria, Belgium (eligible after application for asylum), Cyprus, Denmark, Finland, Germany (for those who are likely to stay), Italy, Latvia, Malta, Slovenia, Spain <i>Voluntary participation:</i> Estonia, France, Luxembourg, Poland, Slovakia <i>Provided only by volunteers:</i> Greece, Netherlands
Skills assessment		Belgium, Denmark, Estonia, Germany, Italy, Luxembourg
Help in recognition of qualifications		Belgium, Denmark, Germany, Luxembourg, Netherlands, Spain
Other	Civic and cultural courses	Belgium, Denmark
	Mental health services or counselling	Belgium, Czech Republic, Italy, Portugal, Slovenia, Spain, Sweden
	Career counselling	Spain
	Orientation, information and guidance	France (voluntary participation), Portugal, Spain
	Financial help or counselling	Italy
	Professional training	Italy, Luxembourg
	Traineeship	Malta

Integration support

Inadequate funding also hits the provision of services, although countries do attempt to support asylum-seekers' needs, and the services provided aid access to the labour market. Table 11 summarises the types of services provided in various Member States during reception, as recorded by Eurofound's network of correspondents. Some countries, such as Belgium and Denmark, offer a wide range of services to asylum-seekers to prepare them for labour market integration, while Hungary, Ireland and Romania provide no services at all.

The public employment services provide similar services and offer some additional supports such as job placement and job-related training. A number of these services are mainstream programmes open generally to unemployed job-seekers and are not specifically designed for asylum-seekers (and refugees). In Germany and Austria, some services are offered only to asylum-seekers who have a good prospect of staying in the country – these being people who came from a country that has not been declared a 'safe country' (in Germany, for instance, in 2016 these were Eritrea, Iran, Iraq and Syria).

Some supports are offered only to refugees, excluding access for asylum-seekers. This is the case with wage subsidies. While several countries offer wage subsidies to employers for hiring refugees, no country does this for asylum-seekers. However, incentivising employers would enhance the employment prospects of asylum-seekers, as employers are often reluctant to employ them given the uncertainty around the length of their stay. Some countries do offer other incentives apart from wage subsidies for the hiring of asylum-seekers. In Denmark, for instance, employers receive a bonus of €2,000–€2,700 after an asylum-seeker has been employed for 6 months and again after 12 months. In Finland, employers do not pay social security or health insurance contributions for asylum-seekers.

Despite these ongoing issues, it must be acknowledged that in the key destination countries there is a strong political will to integrate refugees and asylum-seekers into the labour market as quickly as possible. A broader consensus is developing that their integration should be a priority for Europe as a whole. However, we are a long way from this objective, and a concerted effort is needed in order to make it a reality.

Read more

Approaches to the labour market integration of refugees and asylum seekers

National-level communication

Eurofound has sought to strengthen communication with national-level stakeholders in the socioeconomic policy sphere using a combination of innovative channels. The cluster seminars held during the period of the work programme 2013–2016 have been an integral part of Eurofound’s national-level communications plan, facilitating debate and networking between the Agency and key stakeholders on topics of relevance to all parties. In 2016, two such seminars were held.

Quality jobs: From low wage to an innovation economy

This seminar, held in Warsaw on 2–3 March, brought together public authorities, social partner representatives, and NGOs from the Czech Republic, Germany, Poland, Slovakia and Slovenia to discuss strategies to support a move to competitiveness based on innovation. Organised in collaboration with the Polish employers’ organisation Lewiatan and hosted by the Ministry of Family, Labour and Social Policy, the meeting discussed a number of issues: the challenges these countries face in striving to grow competitiveness; the transformation from low-wage jobs to innovation economies; and what shape innovation may take in the future.



EU labour market integration of asylum seekers and refugees: Challenges and opportunities



A second seminar, held on 28–29 November in Berlin, tackled the issue of integrating refugees and asylum seekers into host countries’ labour markets. This seminar gathered tripartite stakeholders from Austria, Belgium, France, Germany, Luxembourg and the Netherlands, and participants from across the EU described the real experience of integration in their countries. The discussion also examined obstacles to integration and policies to overcome these obstacles.



Reflecting back, looking forward

This was the final year of Eurofound's 2013–2016 work programme *From crisis to recovery: Better informed policies for a competitive and fair Europe*. It has been a period dogged by uncertainty, where the economic recovery has inched forward, convergence between Member States has lagged, and political twists and turns have checked hopes of a new dawn for the European project. Eurofound's activities were structured into nine priority areas for the four-year period. What can be said of Europe's position at the end of 2016 in each of those areas?

Employment – Jobs in Europe: Employment began to recover in 2013 across the EU, but the impact of the crisis on individual Member States has been sharply divergent; many of the countries worst affected by crisis-induced employment collapses are still struggling to return to pre-crisis employment levels. For reasons of both globalisation and automation, the mid-paid, blue-collar jobs hollowed out during the downturn are not expected to return to drive employment growth in western economies. Technology is likely to sweep away all those jobs with high amounts of easily automated tasks, in manufacturing first, but soon in services too. Another major post-crisis concern is the apparent structural decline in full-time, permanent employment. If this trend takes root, the labour market will segment between workers who enjoy job security, career prospects and full-time earning capacity and those whose experience is one of precariousness, low pay and social immobility.

Sustainable work: What stands out from Eurofound's monitoring of working conditions over the past 15 years is the slow pace of change. Of course, progress has been made on several individual aspects of working conditions, but in 2016 Eurofound classified one-fifth of jobs as poor-quality. Is progress in working conditions plateauing? Yet, striving for better working conditions for all cannot be abandoned, given the need to increase employment and forestall a potential pensions crisis by enabling and encouraging workers to stay working for longer. Ever-increasing digitalisation, however, is calling into question assumptions about work and generating concern about the working conditions that will prevail in a digital economy. As digitally mediated jobs constitute a rising portion of the economy, future waves of the European Working Conditions Survey will be an indispensable tool to assess the impact on quality of work.

Youth in Europe: The youth unemployment rate ran at 18.6% at the end of 2016, but rates were still severe in some Member States – over 40% in Greece, Italy and Spain. Evidence from Eurofound is that key factors in the labour market integration of young people include work experience over the course of education, a quick transition from education into work, and standard employment contracts once in work. The Youth Guarantee has gone a considerable way to act on such evidence, tailoring interventions aimed at reducing the

numbers of unemployed young people. But the other subgroups under the NEET umbrella are harder to reach and are at high risk of poverty and social exclusion. The needs of these young people are multifaceted and demand more complex and more individualised interventions.

Older people: The crisis was more sparing of older people than other age groups. Older workers, thanks to long tenure and indefinite employment contracts, were less likely to be affected by job cuts than workers in other age groups. The picture is not entirely auspicious, though. Cuts to public services adversely affected retired older people – reducing access to healthcare services, for instance, for an age group that has greater healthcare needs. Pensions have had to go further in some cases as they became a more important source of income in households hit by unemployment. The need to protect the sustainability of pension systems means that older people have to readjust their expectations regarding the end of working life. An exit in one's 50s to enjoy a financially comfortable retirement is an increasingly unattainable dream. Well-crafted public and company policies, however, might find better ways to align work with the needs, abilities and aspirations of workers as they age.

Mobility and migration: The European Union remains committed to the free movement of EU mobile workers, despite discontent at national level over social dumping and welfare tourism and the rising power of political movements fuelled by such discontent. Eurofound has shown, as much other research has, that perceptions are distorted, that mobile workers are net contributors to their host countries. Upholding the right of EU nationals to work in any Member State will be an ongoing challenge, nevertheless, if political agitation against it persists and grows. Consensus over managing the flow of asylum-seekers has been even more elusive and most Member States have been very slow to meet their commitments under the EU's relocation programme. Europe will, however, benefit economically in the long run if the newcomers are integrated into labour markets, helping to compensate for falling birth rates.

Win-win practices: Over the four years of the 2013–2016 work programme, Eurofound, using data from its European Company Survey, has sought to establish what combination of company practices leads to win-win outcomes for both employees and companies – in other words, high levels of well-being among employees and good performance on the part of the company. This work has found that the most important factor in achieving win-win is the ability of employees to directly participate in decision-making, where they can contribute to organisational change. Just over half of companies engage in practices that enable high levels of employee involvement, however. Wider recognition among companies, policymakers and social partners of the benefit of best practices in the workplace and more

effort to support them would sharpen the competitive edge of European businesses in a global environment.

Social dialogue: Social dialogue was weakened by the economic crisis, and the long-term trend of decentralisation of collective bargaining accelerated, supported often by legal reforms instituted by governments. There is no evidence, however, that decentralisation has delivered the desired goal of wage moderation, or better outcomes for workers. The relaunch of social dialogue by the European Commission, promoting greater involvement of the social partners in EU policymaking and better functioning at national level, may have come just in time. The digital transformation of work will present new challenges for ensuring good jobs and decent working conditions. A strong social dialogue can potentially ensure that the transformation is one that benefits labour as much as business.

Quality of life, citizens and public services:

Governments allow the rundown of public services at their peril: research at the start of Eurofound's work programme found that the factor that had the greatest impact on trust in national public institutions – such as the national parliament, government, legal system and police – was the quality of public services. At a time when trust is at particularly low levels, investing in public services might be well justified in the interests of supporting national and EU-level institutions. Good public services improve citizens' quality of life and enable their active participation in society, leading to greater trust which helps maintain the social fabric. Much of the simplistic and hasty cost-cutting in the provision of public services in recent years may incur higher costs in the longer term.

Social cohesion: Ever-closer union within the EU includes dismantling inequalities and bringing citizens' living standards closer together. Upward economic and social convergence of Member States has stalled: work by Eurofound in 2015 revealed a reversal of the process of convergence in wage levels across Member States, for instance, which had been progressing before the crisis.

Social cohesion is increasingly strained, diverging patterns of prosperity across countries and regions having led to a perceived lack of fairness and having given impetus to political movements that seek to undermine the Union. It is to be hoped that the European Pillar of Social Rights will rebuild confidence in the European institutions' ability to deliver social justice for all.

The next four years

Eurofound's programming document for 2017–2020 carries forward the themes of its research in a revised structure comprising six strategic areas of intervention:

1. Working conditions and sustainable work
2. Industrial relations
3. Labour market change
4. Quality of life and public services
5. The digital age: Opportunities and challenges for work and employment
6. Monitoring convergence in the European Union

The first four areas of intervention cover Eurofound's main ongoing activities and ensure continuity in its work and expertise. The final two areas of intervention capture cross-cutting challenges and paradigmatic changes – the digital shift and trends in convergence in the European Union – that are likely to have a transforming influence on all areas of relevance to Eurofound. Activities in these areas aim to provide the scientifically sound and unbiased knowledge to inform policies that will help to achieve upward convergence of living and working conditions in the European Union.

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Eurofound's brief

What does Eurofound do for you?

- We benchmark good practice in industrial relations, living and working conditions, employment and competitiveness
- We make key actors aware of challenges and solutions
- We support policymaking by monitoring the latest developments in living and working conditions

Eurofound, a tripartite European Union Agency, provides knowledge to assist in the development of social, employment and work-related policies.

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